

Mr Thorpe to stand for reelection as leader

aced with deteriorating confidence in his leadership, Mr Jeremy Thorpe has announced intention to submit himself for reelection as Liberal Party leader, with a ballot expected to take place in the autumn. He suggested an election should be held as soon as a new voting system came into effect.

Vote under new rules expected in autumn

By Martin Huchlerly
Political Staff

Mr Jeremy Thorpe, the Liberal leader, has taken his official future in his hands by announcing his intention to submit himself for reelection as leader, with a ballot expected to take place in the early autumn.

Faced with declining confidence in his leadership and increasing criticism from some Liberal MPs, Mr Thorpe wrote to the party's president, Mrs Margaret Winfield, on Saturday, suggesting that an election could be held as soon as a new system of voting, now under discussion in the party, was in effect. The text of the letter was released yesterday.

Mr Thorpe has probably not the only possible step to take since he intends to resign as leader until the autumn. He will then be seeking the leadership of the party from the backing of his supporters throughout the country. Some Liberal MPs are that he will win the election as a vote of confidence. The proposed new system, of which will be published today, all the constituencies will have a vote, system will be put forward to the Liberal Party conference in London in September. In political terms it is far too long a period of uncertainty.

He took the view that the party had been asked to drift, with no real sense of purpose, through the last election, but that it had been a long time before leadership election, the time had been used by the party to think out its future and direction.

It became clear yesterday that Mr Thorpe's intention to stand for reelection in the autumn is not a simple matter. It is likely to be a matter for Mr Thorpe to decide whether or to refuse to stand in an election.

The procedure for implementing the new voting system will almost certainly be of his colleagues' challenge, him immediately. Although other MP could seek an election, it would have to be on the current system, with only MPs' votes. That would give the party a chance of electing a new leader in the election to which would hardly endear a new leader to the party.

Last night's Liberal MPs

were still mulling over the implications of Mr Thorpe's decision. He gained support from Mr Cyril Smith, the party's chief whip, who said: "I welcome the announcement. I think it is a superb idea and I hope it will kill the speculation."

Mr Smith explained last night that under the new system a candidate would need the sponsorship of at least a third of the party's MPs. Although MPs could sponsor more than one candidate, and a candidate would have to obtain from at least a third of the MPs a statement that they were willing to serve under him as leader.

Mr Smith said that would ensure that anyone elected as leader had the confidence of the parliamentary party. The voting would be in the hands of an electoral college, mainly formed of about 250 representatives of the Liberal constituency parties.

Mr Alan Beith, MP for Berwick-upon-Tweed, thought it "a sensible decision". Mr Pardo, however, simply said: "No comment."

After the recent controversies involving Mr Thorpe, the Liberal Party's loss of support in the North-West by-election provided a further blow. If the Liberals face badly in the forthcoming by-elections at Sarnon, Carlisle and Wirral, as many expect, Mr Thorpe's position may well become untenable.

One possible contender in any election is Mr David Steel, the former chief whip, but he is closer to Mr Thorpe than Mr Pardo and Mr Hoosen and it was clear last night that he has no intention of making any early announcement about whether he might stand in the autumn. He is known to be unwilling to stand against Mr Thorpe.

Mr Pardo's desire to take over as leader is well known, but one of his colleagues pointed out last night that he had made things difficult for himself by saying that he did not want to depose Mr Thorpe or stand against him. Mr Pardo would not comment on this.

Another MP mentioned as a possible candidate is Mr Russell Johnston, the MP for Inverness, but he would not say last night whether he was thinking of standing. "In this situation, I think the least said is the soonest mended," he said.

There is some support among party radicals for Mr Richard Wainwright, MP for Colne Valley. Mr Hoosen, MP for Montserrat, is seen by some as standing more to the right of the party.

Text of letters and whip by-election, page 2

Steel union opposes flat-rate pay rises

By Our Labour Editor

Fresh opposition to any extension of the flat-rate pay rise principle when the 56 incomes policy expires in six months' time was voiced yesterday by the largest union in the steel industry, the Iron and Steel Trades Confederation.

Mr William Sims, general secretary of the union, said his national executive was willing to accept a further round of wage restraint, but wanted no more "same-for-all" pay rises of the kind currently in operation.

It was also anxious to see productivity bargaining reintroduced as a means of reviving the steel industry. The union is still in dispute over the blocking by the Government of work-measured incentive pay schemes concluded between July 11 and August 1 last year, covering 17,000 workers employed by the British Steel Corporation.

The issue will be raised in talks with the TUC economic committee on Wednesday. The union maintains that payment of the incentive money will not infringe the TUC-Government incomes policy.

The reality behind the mounting casualty figures Death and vengeance in Rhodesia

From Richard Cecil
Mount Darwin, North-east Rhodesia, March 7

Rhodesian security forces from the small town of Mount Darwin, 37 miles from the Mozambique border, killed four terrorists in an engagement just outside a small village 15 miles from here yesterday afternoon. Later I saw the bodies of the dead being flown in nets slung from a helicopter.

The men were being followed by a tracker team of the Rhodesian Army. Three were killed as soon as contact was made, while the fourth crawled wounded into a field of maize and was killed by the machine gunner of the patrol. A small group of terrorists escaped by running into the village.

It is suspected that the band was part of the notorious "cannibal" gang, who were recently reported to have cut off the lips, nose and ears of an African and made his wife cook and eat them.

In another incident here yesterday terrorists killed Mr Kaseli, a local African, and severely beat up his wife, accusing them both of giving information to the security forces. In return for 600 Rhodesian dollars (about £280), the couple's daughter, aged

12, was also beaten with the same heavy sticks that killed her father and fractured her mother's skull and broke her arm, among other severe injuries. I saw Mr Kaseli's body, and death had been both painful and slow.

I also watched as Grace Kuski, the daughter, was taken to Rhodesian Army medicals. Through an interpreter she told of how the terrorists had refused to accept the family's demands.

The district is one of the richest farming areas of Rhodesia. It is part of a tribal trust land with its traditional African way of life, now African purchase areas—small farms owned by Africans and run with European help—and part large European farms.

Yesterday evening I talked to a group of local European farmers after their fortnightly meeting at the Mount Darwin Farmers' Club. As they were being shepherded into small groups to return home under army escort, they were clearly encouraged by the security force successes.

Michael Knipe writes from Salisbury: In a statement today reporting incidents over the past few days, security forces disclosed that altogether six more guerrillas had been killed while

eight African civilians had died and many were wounded in numerous incidents.

A white woman and her young son were wounded in a guerrilla ambush, while an unspecified number of security force members sustained minor injuries.

The statement also accused Mozambique troops of several unprovoked shooting attacks across the border.

In one incident, the statement said, Mozambique forces fired at a fencing party in the Penhalonga area, just north of Umtali. On three other occasions Mozambique forces near the border had fired an aircraft flying within Rhodesian airspace. They had also fired at a border police station at Viba Salazar.

The white woman, Mrs. Rotha Joubert, and her son, Peter, were injured when the car they were travelling in with Mr. Joubert's husband was ambushed in the Chipinga area in south-east Rhodesia.

The mother and child were evacuated to Salisbury for treatment and were in a satisfactory condition. No further details were given.

In the same area, according to the statement, an unspecified number of guerrillas had been killed in an attack on a white-owned farm. Continued on page 6, col 4

EEC deal means food price rises of 2%

Mr Peart, the Minister of Agriculture, is likely to face criticism in the Commons today over the EEC's annual farm price review. Under arrangements agreed in Brussels at the weekend, British food prices will rise by a further 1.5p in the pound. This is in addition

to another 1p in the pound increase resulting from an earlier commitment to bring British food prices closer to those in other EEC countries. Prices in the shops of butter are likely to rise by about 8p a lb, of cheese by between 4p and 5p a lb and of milk by 1p a pint.

Reagan attack on Mr Ford

Mr Ronald Reagan, the Republican challenger, has injected an intense message of alarm into his Florida campaign speeches. He has attacked Mr Ford and Dr Kissinger for allegedly jeopardizing the West with their policies towards Russia. The attacks appear to have lost him the chance of being considered for the vice-presidency.

Prisons should be tougher

Many magistrates' court staff believe prison should be made as unpleasant as possible, even if it means Russian-style labour camps, the Journal of the Association of Magistrates' Officers says today. An editorial criticizes social workers and probation officers for identifying too much with their clients.

Press freedom

The dispute involving the National Union of Journalists in Barnsley is expected to lead to a reversal of the Tories' stance in the Commons on press freedom. Mr Foot, Secretary of State for Employment, has been asked to intervene.

Devolution test

A devolution Bill is being drafted on the lines of the White Paper as a symbol of good faith towards the Scottish nationalists. The Bill will be written after public opinion has been tested.

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A more traditional sort of brick sculpture, on show today at The Building Centre, London: the work of Mr Walter Ritchie, seen here with one of a series of panels.

Stronger power over investment sought

By Our Political Staff

More energetic action by the Government to force increased investment, and to rebuild Britain's manufacturing industry, was demanded yesterday by Mr Ronald Hayward, general secretary of the Labour Party.

He told the Yorkshire Regional Council of the Labour Party, meeting at Scarborough: "Let us stop being so defensive about our policies towards industry. It is high time we went on to the attack."

Mr Hayward wanted the Government to take more powers to put its industrial policies into effect. "We believe that exhortations, slogans, speeches, handouts of public cash and the rest cannot be enough to put British industry back on its feet."

He added: "There has to be some real power as far as private industry is concerned, and we must take all the powers we need to ensure that industry responds." His proposals had to be compiled to conclude planning agreements, and we want the National Enterprise Board to own a range of big, viable firms in manufacturing, and to be able to secure a massive programme of investment."

Mr Hayward criticized businessmen for failing to invest, failing to seek out and develop new markets, failing to beat back the flood of manufactured imports and, above all, failing to provide the new jobs that were desperately needed.

"Our people cannot afford simply to live on hopes of a world recovery. What they want is hard evidence that something realistic is being done to provide new jobs."

He repeated his call for selective labour controls on a wide range of manufactured goods, but argued that such controls would give only a breathing space. "It is up to our industrial policies that we must rely to rebuild our manufacturing strength."

One of his colleagues in the Labour Party organization, Mr Reginald Underhill, the national agent, said yesterday that the party should not enter "a period of Government-bashing."

He told the annual meeting of the party in Scarborough that it would be a sad day if they were to return to the years of 1967, 1968 and 1969, when their trade union colleagues

Extra security after IRA hits airport

From Christopher Walker
Belfast

Extra security precautions were in operation in and around Aldergrove Airport yesterday as flights returned to normal after the disruption caused by the home-made mortar shell struck on Saturday night by the Provisional IRA.

The attack was potentially the most serious error made against Aldergrove, about 15 miles outside Belfast, which for some time has had the reputation of being one of the best-guarded airports in Europe. Military and R.A.F. personnel are constantly on duty and no visitors are permitted inside the terminal building.

On Saturday, 13 mortar shells were fired in the direction of the crowded passenger terminal from a hidden lorry parked in a garage for about a short distance away. The shells were fired from 14 mortar tubes embedded in a mixture of sand and clay in the back of the lorry. These were attached to electronic timing devices which have not been seen before in Ulster.

Eight shells were fired across the car park towards the building as more than two hundred people were waiting for flights from other parts of the British Isles.

were being moved out by the police after a warning call. They fled close to the departure lounge, but no injuries were caused. Nearly two hours later, five more shells were fired, accidentally at an Army explosives expert examined the lorry. By that time the airport buildings had been cleared and all flights in and out of the airport had been stopped.

After the weaponry had been closely examined, an Army spokesman said that the shells, each 2 1/2 in diameter and containing 1 lb of explosive, were ingenious in construction and appeared to have been manufactured in a factory or a professional workshop. It was also disclosed that a routine army patrol had seen the lorry being driven past the airport's perimeter fence, but that by the time the patrol had turned and caught it up, the lorry had been parked in its firing position and the driver had vanished.

Several people were injured when a car bomb exploded last night outside a crowded public house in the centre of Castleblayney, a small border town in Co. Monaghan, in the Irish Republic. The public house was wrecked and several neighbouring buildings were damaged.

Crumbling coalition, page 2

Industrial action costs 3 million Sunday papers

By Our Labour Editor

Unofficial industrial action members of the Society of Paper and Allied Trades on Sunday night caused the loss of more than three million copies of national Sunday newspapers.

There was a dearth of newspapers on sale in London yesterday, with almost certainly 10p of his colleagues' challenge, him immediately. Although other MP could seek an election, it would have to be on the current system, with only MPs' votes. That would give the party a chance of electing a new leader in the election to which would hardly endear a new leader to the party.

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Spanish minister promises opponents a fight

From Harry Debelius
Vitoria, March 7

Senator Manuel Fraga, the Spanish Interior Minister, left this troubled Basque city this afternoon after a hurried and hectic visit in which he promised that if anyone wants a fight, he will get it.

The minister arrived here by helicopter yesterday evening, accompanied by Senator Rodolfo Martin Villa, the minister in charge of the state-run trade unions, and Lieutenant-General Angel Campaño Lopez, director of the Civil Guard paramilitary police.

His visit, prompted by the fatal shooting of three workers by police in Vitoria last Wednesday, coincided with the news that another worker injured in a clash with police on Friday in the eastern coastal city of Tarazona, had died. The death brought the total of workers killed in confrontations with the police in the past two weeks to five.

During his overnight visit, Senator Fraga was informed of demands by the Roman Catholic clergy of Vitoria and others in the area for justice those responsible for the fatal shootings. A four-point statement which he issued last night, jointly with the provincial authorities, regretted "the very serious deterioration of peace," but it did not specifically express regret for the workers' deaths, nor did it promise any investigation.

At a press conference given by the minister, he promised that if anyone wants a fight he will get it.

Referring to the workers' demands, which include a 40-hour working week, retirement at 60, one month's holiday a year, a general rise of nearly 50 a month and reemployment of those who were dismissed for their part in the strike, the minister said: "It is not possible to accept anarchic or utopian demands."

Last night, police again broke up demonstrations here. In one several hundred people gathered outside the headquarters of the provincial government, shouting "Fraga, killer" and other slogans. No shots were fired.

When Senator Fraga visited in hospital some of the approximately 60 people injured by police bullets, he was insulted by some of them. The wife of one injured man demanded that those responsible for the killings and injuries be brought to trial.

About 200,000 people are on strike throughout the country and this number is expected to increase tomorrow. Claudeine labour leaders have called for a general strike tomorrow throughout the Basque region. Work stoppages have already occurred near the weekend in many other cities. In Pamplona police fired their guns but apparently did not hit anyone.

If you like all of us are to blame, you too. We are going to

work. We are going to lift up the country. This is what the country needs. If anyone wants a fight he will get it.

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Bomb explodes at motorway service station

By Staff Reporters

A bomb, found by an AA patrolman in a hoidal, exploded in a car park at Newport Pagnell service station on the M1 motorway last night.

The explosion occurred in open space, not in a car, with no one in the vicinity. No one was injured. Several parked cars were slightly damaged.

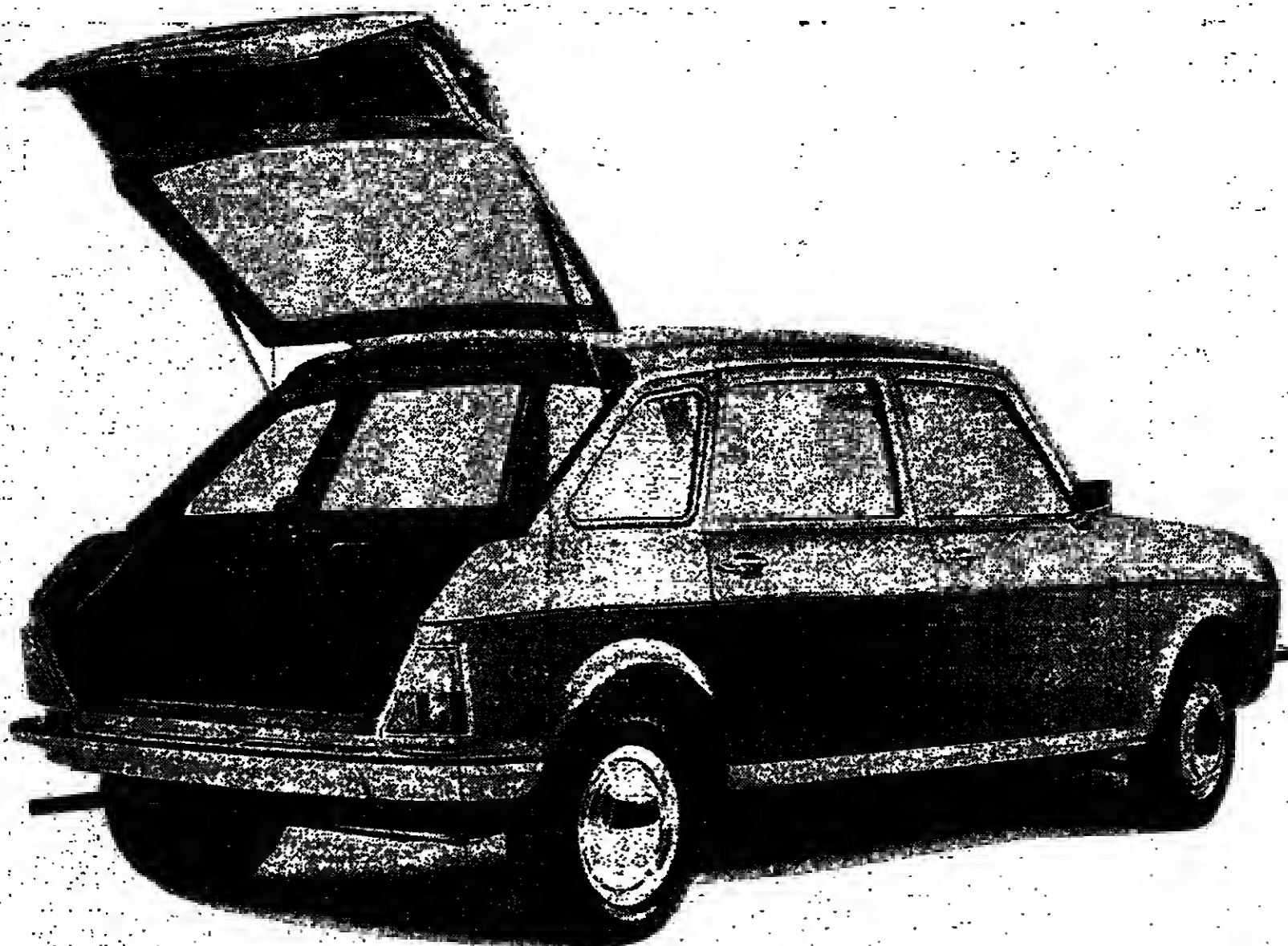
Traffic on the southbound carriageway was diverted at junction 15, some miles north of the service station, and allowed to return to the motorway at junction 13, near Amptill, Bedfordshire.

A police officer said: "We do not know yet whether the bomb was left with the deliberate intention of causing a major disaster, or because the explosive was in a certain condition."

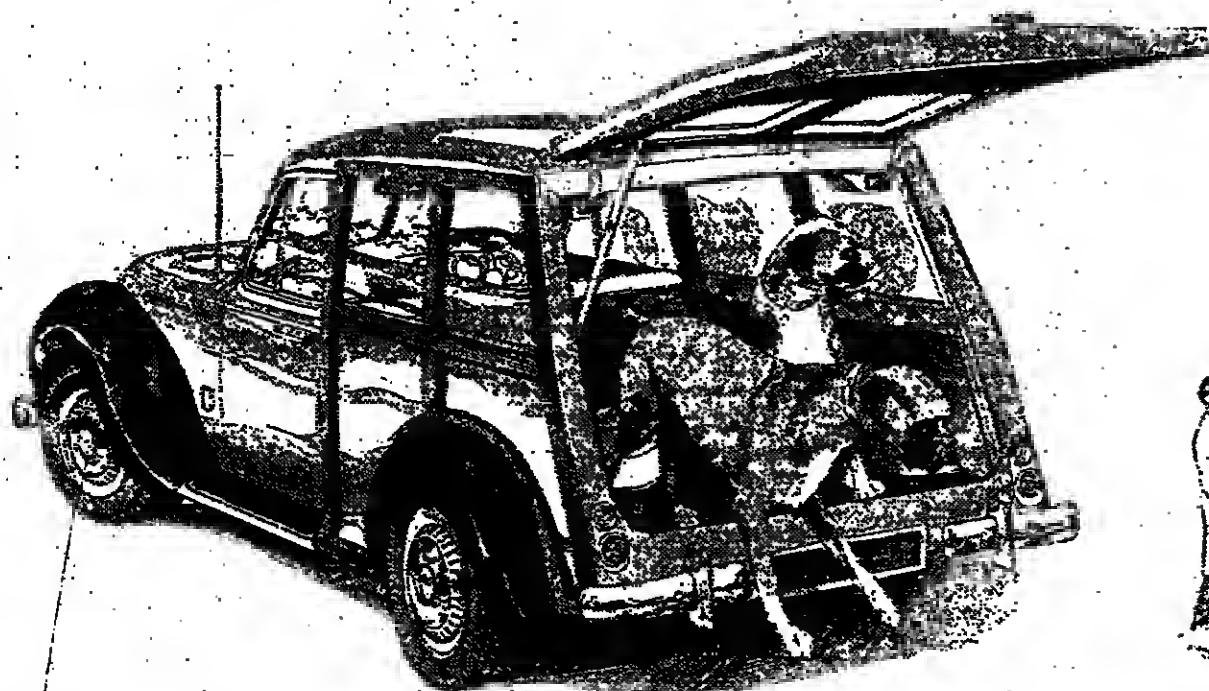
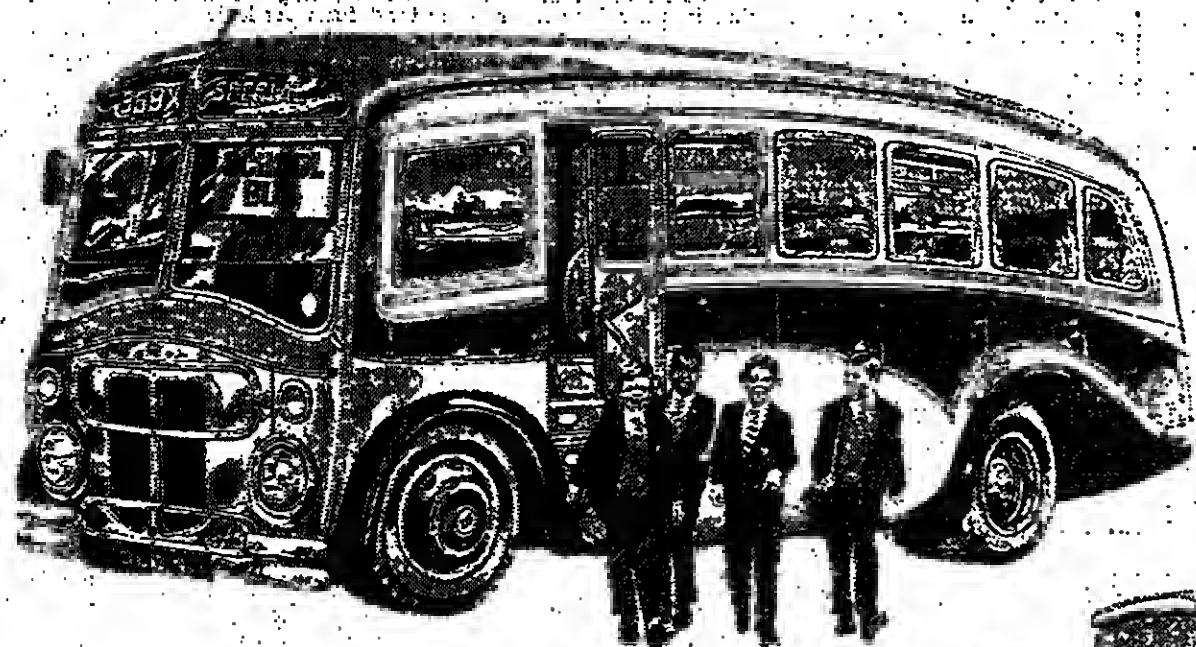
Morocco severs Algeria links

Rabat, March 7.—Morocco and Mauritania today broke off diplomatic relations with Algeria.

The decisions came after a prolonged dispute about the future of the western Sahara.</



The Maxi. £2,128.23.



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Maxi prices start at £2,128.23 for the 1500, £2,206.62 for the 1750, pictured above, and £2,390.31 for the 1750i. All prices include VAT, Car Tax and front-end belts, but not number plates or delivery charges.

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pen to rem

EUROPE

package deal will lead to British food e rises of over 2p in the pound

Cross
March 7
The Minister of
is likely to come
of criticism in the
Commons tomorrow
EEC's annual farm
new arrangements
in Brussels on
British food prices
a further 1p in
in the coming
his increase is in
1p in the pound
resulting from EEC
guaranteeing commu-
nity prices at
the higher levels pre-
other parts of the
British consumer the
the average 7.5 per
cent rise in guaranteed
prices paid to the
nine million
will mainly affect
butter. Prices of butter
to rise by some 8p a
lb and milk by
1p in the shops. Other
in the price
likely to put up
read and beef.
rises for dairy pro-
steeper than Mr
been hoping. He and
of Erit, the West Ger-
ster, lost their battle
the increase in the
to a strict mini-
producer price for
rise by an average
cent throughout the
this year in two
reference to the
the French and Irish
10.5.
ve meeting, Mr Pierre
the European Com-
for Agriculture,
been arguing along
British and the West
say the milk issue
clear that he was wor-
the danger of new
good, skimmed milk
s. But he drew some
from a promise by
sisters that they would
new arrangements to
solve the Community's
dairy surplus prob-
he coming months.
ut told reporters that

there was a risk of further
surpluses but out in Britain.
Another of Mr Peart's objec-
tives in the dairy sector was
to attempt to secure more EEC
funds to help to pay for butter
subsidies for consumers, was
partially successful. The Com-
munity has agreed to pay
slightly more than during the
past year. But New Zealand
butter will not be eligible for
Community aid.
The element in the final
package which particularly
gratified Mr Peart was authori-
zation to continue an amended
version of the special beef
marketing system he secured a
year ago as part of the Labour
Government's renegotiation of
Britain's EEC membership
terms. "When supplies are
good and premiums are being
paid this will mean cheaper
beef for the consumer than if
we had intervention only," he
told reporters.
The changes in the scheme
mean that smaller premiums
will be available this year and
that the Community will con-
tribute less to them if they are
needed to guarantee a mini-
mum level of income to beef
producers.
Mr Peart conceded that the
Community contribution of
only 25 per cent from Sep-
tember was not as good as he
would have hoped. The new
arrangements also increase the
risk of a beef mountain in
Britain similar to the 300,000-
ton surplus in other member
countries. But this would
happen only if British market
prices slumped drastically.
Farm experts said that this is
unlikely in the next few
months.
Mr Peart maintained that he
had been able to balance his
objectives of "more food from
our own farms and definite
restraint on price increases for
the consumer". He was con-
fident that the EEC measures
together with other arrange-
ments for British milk, sheep,
wool, potatoes and hill farm
subsidies that he will announce
in the Commons tomorrow
"will represent a very good
deal for our farmers and that
1976 will be a good year for
British agriculture".

This view was not altogether
shared by Mr Lardinois. He
told reporters that he thought
Mr Peart had not achieved
anything special from the
package and had shown com-
mendable Community-minded-
ness.
EEC farm experts felt that
Mr Peart's negotiating freedom
had been restricted partly
because he had concentrated
almost exclusively on securing
the continuation of the special
beef marketing system and
partly because he was no longer
able to waive the threat of
Britain's withdrawal.
The final key to the review
was an agreement between the
French and Italian Govern-
ments to end their 18-month
wide dispute. To return to
agreeing to abolish the border
tax imposed illegally on im-
ports of cheap Italian wine last
autumn, the French Govern-
ment will be allowed to pay
special subsidies to its wine
growers who will also receive
greatly improved EEC price
guarantees. In addition some
88 million gallons of cheap
Italian white wine will be
distilled into industrial alcohol to
remove some of the present
glut.
The agreement includes
steps to discourage the pro-
duction of low quality wine. The
problem of the de facto de-
valuation of the lira was
initially resolved by an agree-
ment to modify the border tax
system required to compensate
farmers for currency changes.
Border taxes between Italy and
the rest of the Community are
to be reduced by 6 per cent.
The ministers also agreed to
reduce border taxes in West
Germany by 2.5 per cent, in
Ireland by 2 per cent, and in
the three Benelux countries
by 0.5 per cent. For the future
the changes will mean higher
returns in Italy and Ireland
than the Community average of
7.5 per cent. Farmers in West
Germany and the Benelux
countries will receive lower in-
creases than those elsewhere.
Subsidies to Community
farm exports to Italy are
expected to cost the EEC an
extra £80m or so this year. But
the budgetary implications of

the rest of the review are
expected to be contained
within the original estimate of
£2,250m.
According to M Lardinois,
the farm package will increase
food prices by an average of 2
per cent throughout the Com-
munity and will raise the cost
of living generally by 0.6 per
cent.
Some 400,000 tons of
skimmed milk powder will be
added to animal fodder to help
to disperse the Community's
1,100,000 ton mountain. A fur-
ther 200,000 tons will be
distributed as food aid to the
developing world. To pacify
the Community's traditional
trade partners like the United
States which fear that these
arrangements could hamper
their exports of soy beans,
the Community is to pay
storage aids for up to 250,000
tons of protein products.
For the first time, the buy-
ing-in price for bread-making
wheat will be higher than for
fodder wheat. This is designed
to discourage the practice of
using milling wheat for animal
fodder.
Sugar prices will go up by 8
per cent, soft wheat by 9 per
cent, maize by 4.5 per cent,
barley by 4.5 per cent, rye by
3.5 per cent and beef and pork
by 8 per cent.
Our Paris Correspondent
writes: The Brussels package
has been dismissed as inade-
quate by French agricultural
leaders. The principal farmers'
union demanded at the week-
end that the Government should
bring in national measures "to
compensate for the injustice
of the agreed increases. Dairy
farmers would not have their
production costs offset and
there would be a further de-
cline in income it claimed.
The Languedoc winegrowers
expressed scepticism as to
whether the Italians would
enforce their distillation
pledges.
The northern farmers' federa-
tion, which groups the cereal
and sugar beet interests, gave
warning that if there were no
national measures, violence on
the land of the kind seen last
week in the south-west could
spread.

Somebody's wrestling with property in Europe



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cialists in search of identity

tor Nichols
March 7
Closing stages of the
Party's national con-
ference left unanswered
question that might prove
the country's future:
or not to force a dis-
solution of Parliament.
The debate, which
might seem ample
discuss the future
of the party, which is
of size, and a long way
both the Christian
s and Communists, so
that one of the prob-
lems of the congress was to
define the Socialist

of collaboration with the Chris-
tian Democrats.
But today he rejected any
possibility of a Socialist role in
Government in this Parliament
and won applause by raising a
clenched fist, so much so that
he repeated the gesture.
For some, his words meant
the end of this Parliament.
They were, in the phrase of
Signor Francesco Compagna, a
leading Republican, the "death
certificate of the legislature".
Certainly on the face of it,
they appeared to mean just
that. The consequences of
such an attitude could be very
grave as reports of fresh cor-
ruption scandals this week-
end appeared to go beyond
what is now taken to be normal
even in Italy.
However, Signor de Martino
did not leave himself totally un-
covered even on the fundamental
point of whether or not he was
willing to force an election in
such risky circumstances. He
said that the refusal to co-
operate with the Christian
Democrats could change if the
governing party, at its national
congress later this month,
agreed to form an emergency
administration which would in-
clude the Communists in some
form.
In this he was obviously
attempting to meet the
demands from the left-wing of

his own party that the congress
should fix a condition for any
future cooperation with the
Christian Democrats that the
Communists should not be left
in opposition.
He also left himself some
ground for manoeuvre when he
said that the Socialists would
not take part in government
but without specifically stating
that they would move into
opposition. At the moment
their position is one of abstention
which could presumably
continue.
Signor de Martino also tried
to avoid tying his party's future
conduct to Communist partici-
pation in government. If any-
one to gain from a general elec-
tion in the present scandal-
laden atmosphere it would be
the Communists.
The delegates tonight passed
unanimously a final motion
which approved Signor de Mar-
tino's report but went further
than he had originally intended
in refusing collaboration with
the Christian Democrats during
the life of this Parliament.

Local polls a test of Giscard popularity

Paris, March 7.—Half of
France outside Paris went to
the polls today to choose 1,863
canton representatives in effec-
tually "non-political" elections
which most people nevertheless
saw as a test for President Giscard d'Estaing's Administration.
It is the first nation-wide vote
since M Giscard's election in
1974. A total of 7,027 candi-
dates were contesting the elec-
tions, including M Chirac, the
Prime Minister, and 17 other
members of his government.
The cantons each elect one
representative to general coun-
cils which help to run the 95
departments of metropolitan
France and four overseas de-
partments.
First reports indicated a
higher turnout than for the last
canton elections in 1973, when
the abstention rate reached a
record 46.6 per cent. Sunny
spring weather encouraged vot-
ing but other factors such as
the opening of the trout fish-
ing season yesterday may mean
a lower poll in some cantons.
Voting figures issued by the
Ministry of the Interior at 5
pm, an hour before most polling
stations closed, showed a turn-
out of 52.6 per cent.
Only one minor incident was
reported. At Largeville, in
the north, about 30 winegrowers
protested against imports of
cheap Italian wine, besieged the
polling station and stuffed
protest tracts into voting envelopes.
In cantons where the leading
candidate fails to win an abso-
lute majority, a second ballot
will be held in a fortnight be-
tween the top two contestants.
M Chirac has claimed that
the elections are not a political
test because local issues and
personalities play a role and a
number of candidates do not
have formal party support. But
other members of the Govern-
ment admit that today's vote
represents a national opinion
poll and a pointer to the gen-
eral election due in 1978.
Agence France-Presse.

refers to death blessing

By Own Correspondent
March 7
He said today that next
would, as he did every
year, his audience to
for Easter and in pre-
face to death, which for
it he far off. He was
by a crowd of faithful
ous gathered in St
square for his blessing.
led an invitation to
all his audience to
other that prayer was
ess, or superstitious or
It was the summit of
and of psychology, ar-
of morality and of his
there is no suggestion
People's reference to his
death suggests any
tion in his health.

Iceland will allow British vessel to land seaman

From Roulard Kershaw
off board HMS Scylla
off south-east Iceland, March 7
Further evidence of détente
in the cold war emerged yester-
day when the support vessel
Hansa was allowed to enter
Nordfjord in east Iceland to
put ashore a seaman with a
broken leg.
The Hansa, it is understood,
is chartered by the Ministry of
Agriculture, Fisheries and
Food, and is not answerable to
the Navy task force. The cir-
cumstances in which the man
was injured cannot therefore
be confirmed from this frigate.
It is understood that the
landing was negotiated through
the gunboat Agir. It will take
the Hansa four to five hours

from her present position to
reach Nordfjord.
It was at Nordfjord that the
crew of the support vessel On-
dine were aided by local resi-
dents when they landed an in-
jured seaman a few weeks ago.
On that occasion, permission to
land the man had at first been
withheld.
This time there has been no
such problem, which tends to
support the view that the con-
flict is undergoing a cooling
process by the Icelanders. The
impression is reinforced by the
lack of any war-cruising inci-
dent for the past five days.
The fact that the Agir was
prepared to act as a liaison
between the Hansa and the
authorities in Reykjavik is a
further hopeful indication.

Chirac pacts give France staging rights in Chad

From Richard Wigg
Paris, March 7
France's determination to
maintain an influence in
Africa at a time when the com-
munist penetration was under-
mined at the weekend by the
lightning visit to Chad by M
Chirac, the Prime Minister.
He returned from Ndjamena,
the Chad capital, last night
having signed with General
Félix Malloum, the Chad head
of state, a series of agreements
on military and civilian co-
operation.
These signal an end to the
tense relations between the
two countries after the failure
last year to obtain the release
of Mme Francoise Claustre,
the French anthropologist held
in the desert by Chad rebels
since April 1974.
The decision to make peace
with the Malloum regime for
strategic reasons put the plight
of Mme Claustre once again in
second place.
The most important agree-
ment made public gives France
staging rights in Chad essential
for military traffic between

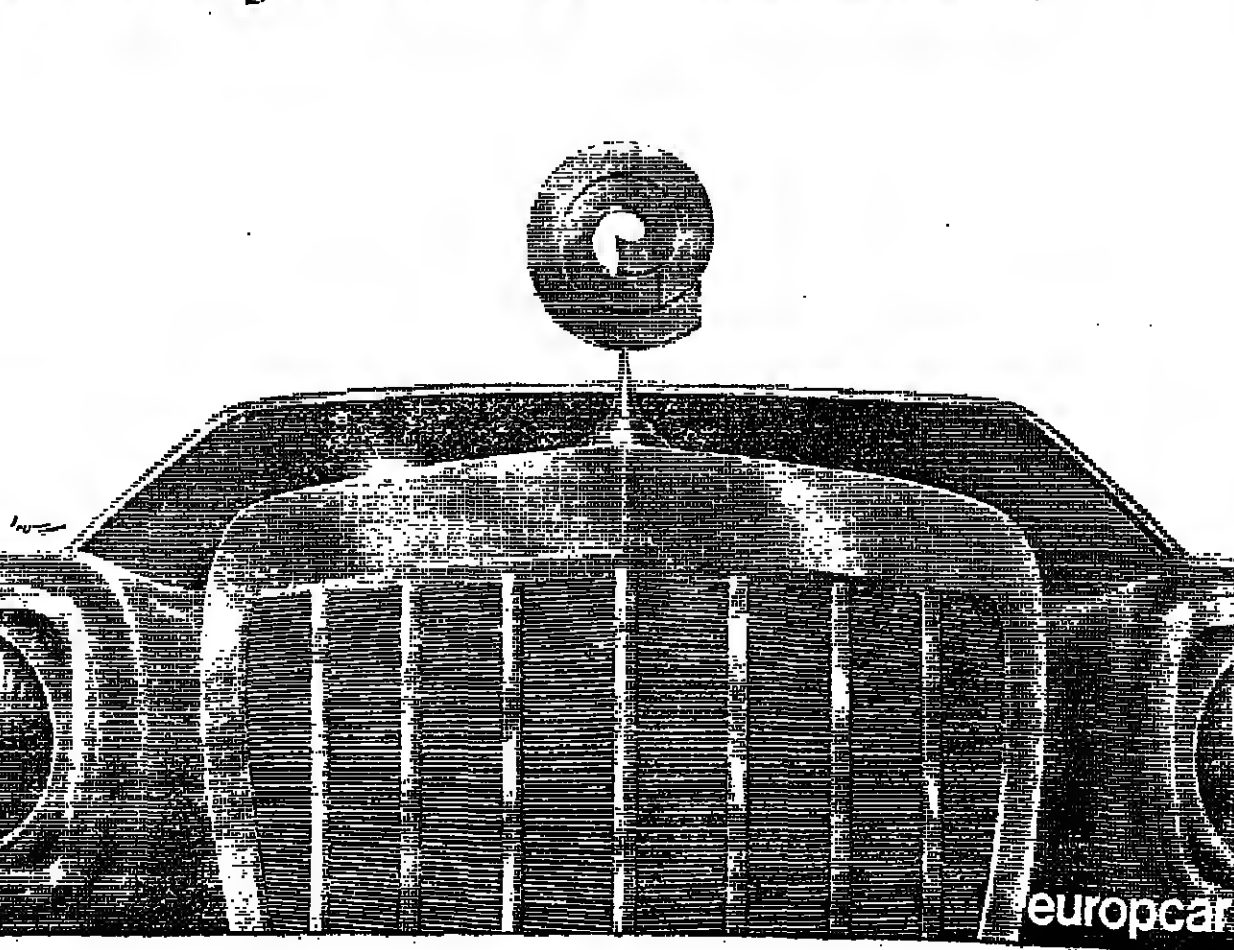
Paris and the French territory
of the Avars and Issas, border-
ing on Somalia.
However this is not likely to
enhance the chances of free-
dom for Mme Claustre or her
husband, M Pierre Claustre,
also a captive of the rebels
since his efforts to rescue
her failed last August.
M Chirac's presence in Chad,
instead of sending an official,
was insisted upon by General
Malloum, still smarting over
French "interference" when
Paris sought to buy Mme
Claustre's freedom.
President Bokassa of Gabon,
who had sought to mediate in
the dispute, had recommended
such a gesture when he was in
Paris recently. He wants a
French presence reaffirmed in
the region against encroaching
left-wing regimes.
On arrival in Ndjamena M
Chirac said that he had come
to show "that France will
remain faithful to her
friends".
Chad has a territorial dis-
pute with Libya which last
year occupied some of its
northern frontier strip.

parties to contest the tuguese election

By Shercliff
March 7
Several political parties are
set to contest the election to the
Legislative Assembly on
April 25. The most pro-
minent are the Socialists, the
Left, the Popular Demo-
cratic Party (PPD) and the Social-
ist Movement (MES). The Popular
Movement (MDP) has been accused
of façade for the com-
munist standing down. It
did not want to
leave the vote.
Smaller parties include
the Popular Democratic Union
which stands to the left
of the communists; the Left
Movement (MES) and
the Popular Monarchist Party
and the socialist candi-
date Dr Mario Soares, the
senior editor of the news-
paper, Dr Francisco
cero, the Popular Demo-
cratic leader, is standing in
Popular Democrats and
all candidates from

among the 300,000 refugees
from Angola. Emigrant
workers abroad may also vote.
Speaking at a dinner given
to the press by the Socialist
Party at the weekend, Dr
Soares said that during the
electoral campaign, the party
intended "to inform our fel-
low citizens with truth and
without mystification". He
added that a popular poll had
shown that 77 per cent of the
electorate intended to vote and
that 17 per cent were unde-
cided.
The Communist Party cele-
brated its fifty-fifth anni-
versary at the weekend. Speak-
ing at a celebration rally in
Lisbon, Dr Alvaro Cunhal, the
party leader, said that through-
out the years the party had
remained faithful to the work-
ing classes.
The party must make an
enormous effort to enlighten
the people that a Social Demo-
cratic Popular Democrat majority
with other associates would
mean not a democratic regime,
but the installation within a
short time of a new dictator-
ship, he said.

Why rent just any car when you can rent a Europcar?



europcar

of Birds

have been drawn at home only once, right at the start, and have dealt successfully with Walsall, Walton and Herston (home), Millwall (home and away, after a draw), Scarborough (away), Leeds United (away), Chelsea (away), and now Sunderland (away).

Two of those ties, at Chelsea and Sunderland, the record of over 50,000 home supporters failed to break their nerve, any more than did the reputation of Leeds, the cup favourites, at the time. They have come through the fires, inspired by the clever planning of Terry Venables, one of the shrewdest young coaches in the game. I am sure all the others will wish to avoid them in today's draw.

Palace are larger than logic

arrived in triumph after scoring the chance in the semi-final.

played England in America this summer.

SUNDERLAND: J. Montgomery; R. Moles, J. Bolton, A. Tacey, R. Curtis, R. Moore, J. Taylor, J. Johnson, J. W. Hughes, M. Hulman, J. Bolton, W. Trueman.

CRYSTAL PALACE: P. Hammond; P. Taylor, J. P. Mayall, P. J. Jones, J. Evans, N. Charlton, M. P. Taylor, J. Whitham, D. Smith, J. Burt, R. Taylor.

ST. PAUL: C. Thomas (trainer).

James Jones, the Bolton Wanderers defender, has been included by Don Ray in the England Under-25 party for the match against Hungary at Budapest on Wednesday. In the first leg of the match, he was not selected.

Jones, one of the mainstays of the second division club's FA Cup success and promotion chase this season, has been selected for the first time and joins three other players named by Rieley yesterday as replacements. They are the Stoke captain, Ray Wilkins, the Middlebrough striker, David Mills, and Alan Dodd, of Stoke.

After chance

...minance value, drove a low ball into the area and Richards hammered a fine left foot shot past the goalkeeper.

Stoke got the fourth successive Cup goal.

Monotonically summed, United and the football crowd roared back. The magnificent Dale found space in the penalty area and cracked the ball past Parks via a deflection from Carr. Parks's stupendous save then engulfed the ball.

Stoke's goalkeeper, Alan Dodd, was

Parkes gives Wolves another chance

[illegible]

Terriers do not bite like they used to

on the
warded
of the
minutes
asoned
and un
ighly

C. Ponds, Cooper, R. Johnson,
W. Davidson, D. Froebel, W. McGillic,
G. Ingram, J. Cooke, D. Hall, D.
Hutchins,
SOUTHAMPTON: L. Turner, P. Rod-
riguez, D. Pouch, P. Gichrist, J.
Allyne, P. Bennett, H. Fisher, M.
Chapman, P. Osmond, J. McCallum, H.
Stokes.
Referee: R. Mathewson, (Bollon).

1990年12月15日

[illegible]

Lauda on his way to this year's title driving last year's car

finish fifth, and Mario Andretti inherited sixth place two laps from the end when Brambilla, who had been dropping back with increasing oversteer, made a quick pit stop.

Both the Brabham-Alfa Romeos dropped out with engine trouble. Reutemann's after 18 and Pace's after 22 laps, and Lafitte's Ligier's six laps was similarly retired after 48 laps when a challenging Brambilla, clutch trouble put out Gurner Nilsson at 32 laps, but Bob Evans ran through reliably in the other John Player Lotus in take 10th place. It was a woe-

ably stout race for Stenecker's elder brother, Ian, who put him to the test in the 1970s. Ian, who was on the first lap, and Emerson Fittipaldi, whose Copersucar had never been on top form, stopped for good with engine trouble after 70 laps.

Once again hot and sticky conditions took their toll. A heavy mechanical toll, and already the rush is on to get cars back into top trim for next Sunday's Race of Champions at Brands Hatch, in which most teams are using as a dress rehearsal for the Grand Prix in July.

RESULTS: 1. N. Lauda (Ferrari) 2:15.7; 2. A. Prost (Renault) 2:16.0; 3. M. Suter (Williams) 2:16.5; 4. N. Piquet (Williams) 2:16.6; 5. D. Hunt (Marlboro)

[illegible]

Athletic

Women saw overwhelming

Montreal, March 6.—Laudable
 efforts and vigorous action
 score on overall 105-69 win
 over Britain in their international
 door track and field meeting
 Montreal forum last night.
 Canadian men gained a
 victory over their British op-
 ponents and Canadian women
 petitioners held a narrower ed-
 ge 40-33. However, three of the
 meeting records were set by
 British athletes.

1. **100-YD. FREESTYLE** (GB) 1. P. Chiswick 1:11.1
2. **200-YD. FREESTYLE** (GB) 1. P. Chiswick 2:30.7
3. **400-YD. FREESTYLE** (GB) 1. P. Chiswick 5:50.0
4. **800-YD. FREESTYLE** (GB) 1. P. Chiswick 12:00.0
5. **1,600-YD. FREESTYLE** 1. P. Chiswick 24:00.0
6. **3,200-YD. FREESTYLE** 1. P. Chiswick 48:00.0
7. **6,400-YD. FREESTYLE** 1. P. Chiswick 1:00:00.0
8. **12,800-YD. FREESTYLE** 1. P. Chiswick 2:00:00.0
9. **25,600-YD. FREESTYLE** 1. P. Chiswick 4:00:00.0
10. **51,200-YD. FREESTYLE** 1. P. Chiswick 8:00:00.0
11. **102,400-YD. FREESTYLE** 1. P. Chiswick 16:00:00.0
12. **204,800-YD. FREESTYLE** 1. P. Chiswick 32:00:00.0
13. **409,600-YD. FREESTYLE** 1. P. Chiswick 64:00:00.0
14. **819,200-YD. FREESTYLE** 1. P. Chiswick 128:00:00.0
15. **1,638,400-YD. FREESTYLE** 1. P. Chiswick 256:00:00.0
16. **3,276,800-YD. FREESTYLE** 1. P. Chiswick 512:00:00.0
17. **6,553,600-YD. FREESTYLE** 1. P. Chiswick 1,024:00:00.0
18. **13,107,200-YD. FREESTYLE** 1. P. Chiswick 2,048:00:00.0
19. **26,214,400-YD. FREESTYLE** 1. P. Chiswick 4,096:00:00.0
20. **52,428,800-YD. FREESTYLE** 1. P. Chiswick 8,192:00:00.0
21. **104,857,600-YD. FREESTYLE** 1. P. Chiswick 16,384:00:00.0
22. **209,715,200-YD. FREESTYLE** 1. P. Chiswick 32,768:00:00.0
23. **419,430,400-YD. FREESTYLE** 1. P. Chiswick 65,536:00:00.0
24. **838,860,800-YD. FREESTYLE** 1. P. Chiswick 131,072:00:00.0
25. **1,677,721,600-YD. FREESTYLE** 1. P. Chiswick 262,144:00:00.0
26. **3,355,443,200-YD. FREESTYLE** 1. P. Chiswick 524,288:00:00.0
27. **6,710,886,400-YD. FREESTYLE** 1. P. Chiswick 1,048,576:00:00.0
28. **13,421,772,800-YD. FREESTYLE** 1. P. Chiswick 2,097,152:00:00.0
29. **26,843,545,600-YD. FREESTYLE** 1. P. Chiswick 4,194,304:00:00.0
30. **53,687,091,200-YD. FREESTYLE** 1. P. Chiswick 8,388,608:00:00.0
31. **107,374,182,400-YD. FREESTYLE** 1. P. Chiswick 16,777,216:00:00.0
32. **214,748,364,800-YD. FREESTYLE** 1. P. Chiswick 33,554,432:00:00.0
33. **429,496,729,600-YD. FREESTYLE** 1. P. Chiswick 67,108,864:00:00.0
34. **858,993,459,200-YD. FREESTYLE** 1. P. Chiswick 134,217,728:00:00.0
35. **1,717,986,918,400-YD. FREESTYLE** 1. P. Chiswick 268,435,456:00:00.0
36. **3,435,973,836,800-YD. FREESTYLE** 1. P. Chiswick 536,870,912:00:00.0
37. **6,871,947,673,600-YD. FREESTYLE** 1. P. Chiswick 1,073,741,824:00:00.0
38. **13,743,895,347,200-YD. FREESTYLE** 1. P. Chiswick 2,147,483,648:00:00.0
39. **27,487,790,694,400-YD. FREESTYLE** 1. P. Chiswick 4,294,967,296:00:00.0
40. **54,975,581,388,800-YD. FREESTYLE** 1. P. Chiswick 8,589,934,592:00:00.0
41. **109,951,162,777,600-YD. FREESTYLE** 1. P. Chiswick 17,179,869,184:00:00.0
42. **219,902,325,555,200-YD. FREESTYLE** 1. P. Chiswick 34,359,738,368:00:00.0
43. **439,804,651,110,400-YD. FREESTYLE** 1. P. Chiswick 68,719,476,736:00:00.0
44. **879,609,302,220,800-YD. FREESTYLE** 1. P. Chiswick 137,438,953,472:00:00.0
45. **1,759,218,604,441,600-YD. FREESTYLE** 1. P. Chiswick 274,877,906,944:00:00.0
46. **3,518,437,208,883,200-YD. FREESTYLE** 1. P. Chiswick 549,755,813,888:00:00.0
47. **7,036,874,417,766,400-YD. FREESTYLE** 1. P. Chiswick 1,099,511,627,778:00:00.0
48. **14,073,748,835,532,800-YD. FREESTYLE** 1. P. Chiswick 2,199,023,255,556:00:00.0
49. **28,147,497,671,065,600-YD. FREESTYLE** 1. P. Chiswick 4,398,046,511,111:00:00.0
50. **56,294,995,342,131,200-YD. FREESTYLE** 1. P. Chiswick 8,796,093,022,222:00:00.0
51. **112,589,990,684,262,400-YD. FREESTYLE** 1. P. Chiswick 17,592,186,044,444:00:00.0
52. **225,179,981,368,524,800-YD. FREESTYLE** 1. P. Chiswick 35,184,372,088,889:00:00.0
53. **450,359,962,737,049,600-YD. FREESTYLE** 1. P. Chiswick 70,368,744,177,778:00:00.0
54. **900,719,925,474,099,200-YD. FREESTYLE** 1. P. Chiswick 140,737,488,355,556:00:00.0
55. **1,801,439,850,948,198,400-YD. FREESTYLE** 1. P. Chiswick 281,474,976,711,111:00:00.0
56. **3,602,879,701,896,396,800-YD. FREESTYLE** 1. P. Chiswick 562,949,953,422,222:00:00.0
57. **7,205,759,403,792,793,600-YD. FREESTYLE** 1. P. Chiswick 1,125,899,906,844,444:00:00.0
58. **14,411,518,807,585,587,200-YD. FREESTYLE** 1. P. Chiswick 2,251,799,981,368,889:00:00.0
59. **28,823,037,615,171,174,400-YD. FREESTYLE** 1. P. Chiswick 4,503,599,962,737,778:00:00.0
60. **57,646,075,230,342,348,800-YD. FREESTYLE** 1. P. Chiswick 9,007,199,925,475,556:00:00.0
61. **115,292,150,460,684,697,600-YD. FREESTYLE** 1. P. Chiswick 18,014,398,509,949,111:00:00.0
62. **230,584,300,921,369,395,200-YD. FREESTYLE** 1. P. Chiswick 36,028,797,019,898,222:00:00.0
63. **461,168,601,842,738,790,400-YD. FREESTYLE** 1. P. Chiswick 72,057,594,039,796,444:00:00.0
64. **922,337,203,685,477,580,800-YD. FREESTYLE** 1. P. Chiswick 144,115,188,079,592,889:00:00.0
65. **1,844,674,407,370,955,161,600-YD. FREESTYLE** 1. P. Chiswick 288,230,584,300,923,778:00:00.0
66. **3,689,348,814,741,910,323,200-YD. FREESTYLE** 1. P. Chiswick 576,461,168,601,847,556:00:00.0
67. **7,378,697,629,483,820,646,400-YD. FREESTYLE** 1. P. Chiswick 1,152,921,504,603,695,111:00:00.0
68. **14,757,395,2**

50 YARDS: J. S. Llanman
5.6 sec.; M. Edder, 5.71;
G. Sear (GB), 5.74; J. P. Low
5.75.
400 METRES: I. M. McGowan

counted as a big success. He was sponsored by Benson & Hedges on a bitterly cold afternoon in the Albans yesterday. In both Lancashire, whom they had met in this event, they were utile for the third time, previous success having been achieved in 1959-60 and 1961. They lost the final to Kent season.

With both sides committed attacking play the game was a lading enough. But it emphasised the advantage of a fast and speedy raids on the right wing which department Hazell emphasised on the winning side emerged with the sponsors'.

on the field. He set up the goal in the seventeenth minute. Lancashire had their first assembly late in the first half and early in the second, seemed to have too many players—Foulkes, Whalley, Urell and Eyre. They needed one like Dooley, who could play because of injury, to throw the defence with forthright methods. Among younger players on the field, Urell looked a good Eire prospect.

Newcomer
By Joyce Whitehead
Wales drew 1-1 with England in the women's hockey national at Cardiff on Saturday and it was Gwen Jones, the newcomer in the English side, saved England from defeat.

way through the second half Jurisicha shot and Judith netted the new Welsh goalkeeper, well, but in doing so she set up a 2-2 draw. In the second half and before she could get up, Jones had the bull in the net the equalizer. It was a good one though about the only hole in Welsh defence all afternoon.

Only six months after playing one another in the World Championship final in Edinburgh, these two teams met again, quite naturally. England determined to remain on top, Wales equally determined to reverse the 0-2 defeat they suffered. The number two

One rushing attack by straight from the bully was omnibus, but it was England dominated most of the first half. It was surprising, therefore, Wales scored first. From a

[illegible]

Match result: DSSR 76, U'S 85.
Reporter.

Two courageous excursions to the top of the circle in the second half of the game gave Lancashire's before half time ended in a bit-hit by Roberts and the ball drifted out of play.

Two courageous excursions to the top of the circle in the second half of the game gave Lancashire's chances when both Whalley and Roberts seemed likely to score. For about 10 minutes Lancashire attacked strongly enough to suggest a revival, but it was just as they were about to make an attempt to assert himself in Herefordshire's defence. He had earlier been overshadowed by Whitaker.

After Lancashire's attacks had been repelled, Herefordshire took charge and the game began to take the lifeless through 80% to the

[illegible]

Britain, K. W. Jackson (Nash, ex-
 cathedra), A. A. Brown (Ipswich),
 J. G. Whalley (Hingham), J. C.
 P. S. Jackson and G. D. Nash (Southern Counties).

sases England

died infrequent sorties they were
 awarded a free hit just outside
 the circle. This they took quickly ;
 Sheila Morrow appeared almost
 from nowhere and her splendid
 shot went into goal like a
 flash. They held this lead for some
 time, and then their dip

Wales played with a deep covering back and four half backs and the surprising thing was that though ready and willing to support in attack, whenever England pressed forward the fire of them always seemed able to cover their goalkeeper. They did, however, give away a number of corners, but England could not score from these.

PLAYERS: 1. Nelmes (Gwent); 2. Ansell (Finsbury); 3. Gomersall (Preston); 4. Middleton; 5. Morris (Preston); 6. Jones (Llanelli); 7. Gwynne (Gloucester); 8. Jones (Swansea); 9. Gwynne (Gloucester); 10. Jones (Swansea).

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Gloucester). M. Rainbow (Glasgow).
Ellis-Morgan (Glasgow). S. Price
(Glasgow). P. Gibson (Berkshire).
N. Burnhead (Lancashire). A. East
shire). S. Woodridge (Warwickshire).
J. Tippin (Bristol). M. Smythe (Lancashire).
J. Jurkovic (Bristol). Robinson (Hertfordshire).
Jones (Staffordshire). A. White (C. of
Lancashire).
Empress. M. Strachan and A.
Appley.

Newcomer saves England

By Joyce Whitehead

Wales drew 1-1 with England in the women's hockey national at Cardiff on Saturday and it was Gwen Jones, the corner in the English side, saved England from defeat.

Way through the second half Jurishka shot and Judith Neill, the new Welsh goalkeeper, well, hit in doing so she sat and before she could get up, Jones had the ball in the net to equalize. It was a good thought about the only hole in Welsh defence all afternoon.

Only six months after the

one another in the World championships final in Edinburgh these two teams met again quite naturally. England determined to remain on top Wales equally determined to reverse the 1-2 defeat they suffered last November. Two days after the final at the National Sports Centre Sophia Gardens was lined with large and enthusiastic crowds.

One rushing attack by Wales straight from the bully line ominous, but it was England dominated most of the first half. It was surprising, therefore, Wales scored first. From 0-0

their infrequent sorties they were awarded a free fire just outside the circle. This they took quickly; Sheila Morrow appeared almost from nowhere and her splendid shot went into the goal like a flash. They held this lead for some time and though they did not really look like scoring again, neither were they unduly perturbed in defence.

Wales played with a deep covering back and four half backs and the surprising thing was that though ready and willing to support in attack, whenever England pressed forward the five of them

[illegible]

Songs of praise, off-key notes and significant silences at the Soviet congress

Whatever else the twenty-fifth Soviet Communist Party Congress may have accomplished, it left Mr. Brezhnev more firmly in the saddle than ever, and with no present plans to relinquish power. Far more than at the twenty-fourth congress in 1971, this was his party. He was in thorough command of his faculties and of the leadership. The 25,000-word report for the Central Committee was delivered on the first day of the congress, virtually all that came afterwards was in descending order. The Foreign Minister, Mr. Andrei Gromyko, sat silent and impassive while Mr. Brezhnev spent two hours expounding foreign policy. Mr. Brezhnev devoted another two hours to the economy and the new five-year plan, stealing the thunder of Mr. Alexei Kosygin, the Prime Minister, whose report on these subjects was the following main item on the agenda.

Almost all the 106 speakers in the discussion that followed threw verbal bouquets at Mr. Brezhnev.

The Azerbaijani party secretary, Mr. Geidar Aliyev, since

named a candidate member of the Politburo, said: "Leonid Brezhnev, by his wisdom, principles, boundless energy and organizing talent, modesty and simplicity... has gained the love and gratitude of the entire Soviet people. The Georgian secretary, Mr. Eduard Shevardnadze, said: "He (Mr. Brezhnev) never wraps himself in the cloak of superman."

In projecting Soviet policy for the coming years, Mr. Brezhnev was also providing guidelines for the Soviet bloc countries and, as he saw it, the world communist movement. He hoped these lines would counteract the divisive tendencies that have so far prevented calling of a conference of European communist parties. These differences surfaced at the congress, which might have been one big love feast but for the off-key notes injected by advocates of autonomy for each national party, as opposed to the close-knit Marxist-Leninist movement advocated by the Soviet leadership and still supported by varying degrees by the majority of parties. The Romanian, Yugoslav, Italian and French representatives

spoke, in that order, in favour of autonomy, and the small British party proved a sordidly attentive.

The most eloquent voice, and one which rose above the tired, repetitious flood of oratory, was that of the Italian party secretary, Signor Enrico Berlinguer. He shocked true believers by his flagrant defence of parliamentary democracy, his advocacy of sharing power on an equal footing with parties of different political persuasion and ideology, and respect for civil liberties. Signor Berlinguer and the others saved their remarks with approving words for Soviet economic progress and the policy of détente. None of them made critical or impolite remarks about the Soviet Union. Mr. Brezhnev in turn took a tolerant attitude and invited Signor Berlinguer to a friendly meeting. A showdown was thus avoided. But Signor Berlinguer's remarks are likely to echo long after most congress speeches have been forgotten.

The twenty-fifth congress will also be remembered by what was left unsaid. Though the congress unanimously endorsed

the continuation of détente and peaceful coexistence as expounded in Mr. Brezhnev's report, neither Mr. Brezhnev nor any other speaker, not even Dr. Fidel Castro, so much as mentioned, let alone discussed, the most critical, controversial, and potentially explosive new departure in communist world strategy, that might yet blow devious sky-high—the intervention of 12,000 Cuban troops in Angola.

There were other gaps, including a credibility gap on arms. While Mr. Brezhnev's references to relations with the United States were in the main positive and optimistic, he noted that the election of a new committee of 287 members, of whom 204 were reelected and 41 were candidate members. This compared with a 241-member committee elected at the twenty-fourth congress. The party leadership team, save for minor shifts, remained essentially the same. No bets are being placed on its durability. The average age is now 66. By the twenty-sixth congress Mr. Brezhnev will be nearing 75.

new five-year plan give any room to defence expenditure, as if this was negligible.

Neither Mr. Brezhnev nor Mr. Kosygin referred specifically to the disastrous 1975 harvest shortfall, dramatized by the dismissal of the Agriculture Minister, Mr. Dmitri Polyansky, from the Politburo. Nor was there any mention of the consequent massive purchases of foreign grain. The 15-year plan for economic development up to the year 1990 received only passing mention by Mr. Brezhnev, though the State Planning Commission has been concentrating on the draft for at least three years.

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Edmund Stevens

Albert Speer: Putting the past in its proper place

Albert Speer's *Spandau: The Secret Diaries*—a book distilled from 25,000 scraps of paper smuggled out of the most elaborately guarded prison in the world—is to be published in Britain next week.

Herr Speer, who will be 71 in the same week, was a favourite of Hitler, serving him first as consultant architect, then as "trouble-shooter" for major construction projects including the Atlantic wall, and finally as Reich minister for armaments.

At the Nuremberg Trials he was sentenced to 20 years because his last post had made him principal of the Gestapo. He served a year before the war ended, he began sending Hitler a series of increasingly emphatic memoranda saying defeat was inevitable, which made him unique among the Fuehrer's ennobles.

He worked out a scheme to assassinate Hitler by introducing poison gas into the ventilation system of the Chancellery bunker which was foiled at the last minute by a sudden order from Hitler himself to have the system rebuilt. The organizers of the failed plot on Hitler's life of July 20, 1944, put Herr Speer in their list of ministers for post-coup administration.

He was also unique among the Nuremberg defendants in acknowledging his guilt without reservation. He regards his punishment as fair.

He served the full term without remission, from October 1, 1946, to midnight on September 30, 1966, almost all of it in the grim prison at Spandau, in the British Sector of West Berlin.

The *Diaries* are a record of Herr Speer's struggle to retain a healthy mind in a healthy body by coming to terms with the past, coping with the present, and preparing for the future.

That he had won his struggle was immediately apparent when he answered the door at his home in the hills above Heidelberg to give *The Times* an exclusive interview. Over six tall, straight-backed and broad-shouldered, with thinning grey hair, stark black eyebrows and a tanned complexion, Herr Speer could be taken for 60 or less.

The house, an unremarkable villa built by his architect father in 1905, has an air of genteel melancholy. The relative darkness of the living room on a bright winter's morning was accentuated by the somber and austere furniture. But the spectacular views of Heidelberg and the Neckar Valley from the house and its large garden restore the balance.

Lodgers live upstairs, and one of Herr Speer's children occupies a converted garage building in the garden.

A gambolling tank of a St Bernard dog, which subjects the visitor to a friendly assault, also has a place in the house. "I like to have plenty of company these days," he said.

He also likes to keep himself occupied. "I must always have something to do. It proved impossible to return to my first love, architecture, when I was released. He is now at work on two more books, on the economics of war and arms production, which he hopes to publish in five years, and an architectural treatise on the history of the window, which he began to jail.

He has given up gardening, one of the means he chose to keep himself busy in Spandau, but still takes long walks in the hills and forests round his cell. In jail, he walked at least the equivalent of the circumference of the earth. He walked up and down the prison yard, counting off the kilometres, he marched in the frozen Bering Straits to Alaska and down the American continent. He borrowed books about the places on his route as fuel for his imagination.

In his cell, he wrote ceaselessly, accumulating material not only for the *Diaries* but also for his memoirs, *Inside the Third Reich*, published in 1969.

"I wrote in my diary that life ended for me in May 1945," said Herr Speer. "I don't believe that any more, and it is the success of my books which has helped me most." The German edition of the *Diaries* has sold nearly 250,000 in seven months.

"I have been very lucky to find a third career as architect and government minister in writing. I don't have any ambitions left—I don't feel the need to take up a fourth occupation to prove I'm not totally stupid."

Apart from a long line of elegant lamps on one of Berlin's main streets and the occasional abandoned bunker on the western coasts of Europe, nothing remains of Herr Speer's architectural and construction work except plans and photographs of models, now in the West German federal archive with all his other papers. A book on the lamps was published last year and obviously pleased him enormously.

"If it hadn't been for Hitler, I would probably have become professor of architecture at some university or other, and would have been pleased to get an odd mention in a professional journal. But one of Hitler's positive points was his capacity for making people achieve things they never dreamed they were capable of. He opened up a vision of power for me and I succumbed to the temptation. Many young men would have done the same."

What was the secret of Hitler's fascination for an intelligent, independent-minded and resourceful man like Speer? "He could grasp the kernel of a situation extremely quickly. He showed an alarm when I showed him that I was a realist, he inspired trust and danger, he inspired loyalty and dispersed

domit. I agree that it is sufficient explanation, I can't explain love and hate."

Herr Speer regrets the damage done by his association with Hitler as a man, but he does not regret it as a man. He says he still has a moral obligation to the world to tell the truth about what he did and what he saw. He says he still has a moral obligation to the world to tell the truth about what he did and what he saw.

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Should the Liberals ever consider a coalition?

David Steel

We have just passed the second anniversary of the first 1974 general election. Two years ago last week the nation pondered on the fiasco of the Conservatives in the election and Mr. Heath delayed his departure from Number 10 till his overtures to the Liberals for an "anti-socialist front" had been considered. Two years is an eternity in politics and I have found myself solemnly asked at recent public meetings whether in view of subsequent events I now regret our decision to say no to participation in Mr. Heath's Government in March 1974.

Those who ask the question have invariably forgotten the precise circumstances. For a start there was the vital fact that 256 Conservatives plus 14 Liberals meant a government eight short of a bare majority in the Commons, and while a single-party minority government proved possible for eight months, a coalition minority government would have been a fragile creature indeed.

Then there was the background to the February election. It had been called by a Prime Minister nowhere near the end of his five year parliament who sought a mandate from the people for his three day week confrontation with the miners, and was denied it. (However much the blame may not personally have been Mr. Heath's that was how it seemed.) To have sustained that Prime Minister in office would have been dubious democracy to put it mildly.

Finally, even if only considering the most selfish interests of

the Liberal Party, there was no promise of electoral reform: without it our party could not survive a coalition with the Conservatives in any circumstances.

So for all these reasons if the precise events of two years ago repeated themselves tomorrow I still believe we would be right to act as we did then. Where I think we went wrong was in the preliminary to the October election. Here I find myself largely in agreement with the conclusions of the Butler-Cavanagh study of that second 1974 election. In the summer of 1974 with the Liberals still the largest balancing force in the Commons, a stymied government, and a deteriorating economy it was obvious that an election could not be long delayed. Then, the Butler book records, on June 25 I made as their Liberal chief whip, a party political broadcast in which these carefully considered words:

"In our crisis we surely need a much more broadly based government, backed by a real majority of public opinion." My argument was that the fight against inflation could not be waged successfully by any government narrowly based on one minority party. I continued:

"I find the public demand for a government of national unity is now gaining considerable force, but it can only come about if we get more Liberals in Parliament. We are ready and willing to participate in such a government if in the next election you give us the power to do so. Naturally, like the other parties, we would

prefer an overall majority of seats, but we remain ready to contribute towards the kind of fair government based on partnership which you, the electorate, might be seeking. Any party which refused to consider this would be seeking to put power for their own party before the will of the people."

The effect was electric. The broadcast received full and mainly favourable coverage in the press over the next two or three days. In precisely that period the Opinion Research Centre was doing the fieldwork for its July poll, which showed a jump in Liberal support from 18 to 22 per cent. Christopher Mayhew joined the party the following week. Things were looking up because we had struck exactly the right chord with the public.

But, observed David Butler: "This was sprung on an unprepared party." I accept that criticism and my full share of responsibility for it. But that comment overlooks the virtual impossibility (as both Jo Grimond and Jeremy Thorpe have successfully experienced) of preparing the Liberal Party for anything. Its organs outside Parliament have a compulsive tendency to confide in the nearest journalist as soon as a meeting is over. This imposes severe limitations on serious advance discussions of political strategy.

On June 25 the party executive resolved that: "The

Liberal Party will not join a coalition with the Conservative or Labour parties separately and will make this clear at the party council declared itself against a grand coalition, and was silent on a possible two party arrangement.

Both bodies (in other words, the twin facts that an coalition would not be with either of them but with both) were stated, and that their postures were ludicrous for a party which believes in proportional representation. Mr. Jeremy Thorpe then felt it his duty as leader to pull the whole party together through inevitably the loved common denominator of agreement. This he did successfully by declaring at the party conference in September: "Except for one, I repeat again, if this coalition was formed, it would be a catastrophic economic crisis then we would be prepared for a limited period on an agreed programme to join an all-party government of national unity. Is it really thought to be in the interests of the nation to say less? The assembly roared its approval and the public was left with the clear impression that come fire, pestilence and flood, plus a team of wild horses, plus all-party consensus, then Liberals might cooperate."

It was a very far cry from the Liberal appeal in June to change the face of politics, and we staggered on into the October election with the trumpets giving an uncertain sound. The other parties were quick to exploit the situation. The Tories, who had been shown that our summer initiative was right, Mr. Heath then

tried to occupy the same ground by promising to head a government of national cooperation by bringing outsiders into a Tory minority. This damaged the Liberal position still further, for Mr. Harold Wilson with consummate skill declared solidly against coalition and argued fiercely that there were no Liberal votes to be won for the return of a Heath government.

Instead of fighting back boldly by pointing that what Mr. Wilson said in an election was not necessarily a guide to what he would do afterwards, and that in any case there were other people in the Labour Party who would be willing to act in the national interest, the mood of the Liberal Party was to duck below the barricades. We, therefore, failed to make any mark on the brilliant success of the February vote.

The lessons for the Liberal Party are clear. Instead of concentrating on the leadership it should be considering how to pull itself out of political amateurism in the way it conducts its internal affairs. Instead of retreating into gimmicky campaigning or the search for maximum press coverage regardless of the content, it should realize that it will only evoke a public response when it is talking of issues which command respect and which compass addressing itself to the world of real politics, to the fundamental problems facing the country, and to its own permanent programme of constitutional and industrial reform, all of which it is capable of doing superbly well. The author is Liberal MP for Roxburgh, Selkirk and Peebles. © Times Newspapers Ltd, 1976

How the foundation of Middle East conflict was laid

The fourth and penultimate volume of the monumental official history of British foreign policy in the Second World War is published today. It describes with the expected authority and detail, the birth and childhood of the intractable foreign policy problems that bedevil us now that they are adult today, from the Middle East to Argentina, and from China to Peru. There may be no present answers to be found in such a puccinious record of the seeds of conflict. But the truth as seen from the Foreign Office contains lessons and warnings about how to manage our affairs better and avoid falling into some of the old pits we dug for ourselves. For example, this volume deals with British policy, or

rather lack of policy, towards nascent Zionism. During the war the British Government procrastinated and contrived to hold in suspense the vexed questions of Jewish immigration and the "political status" of Palestine. Even this minimal policy, which obviously settled nothing, was not easy to carry out in view of persistent Zionist agitation in the United States, and the influence of the large American Jewish vote on the United States Government. This Zionist agitation provoked a corresponding increase in the intensity of Arab nationalism. And the documents show that the British Government was repeatedly having to point out to the United States Government that it was urging upon Great Britain a policy which would lead to civil war in Palestine.

While the Americans were refusing any practical share in putting this policy into effect, the War Cabinet appointed a ministerial committee in June 1943 to consider what solution to put forward after the war. The committee reported in favour of the partition of Palestine, but the Foreign Office opposed its recommendation as unfair to the Arabs. No agreement on British policy had, therefore, been reached by the end of the war. The chance of an agreed Allied compromise was lost, and the stage was set for chaos, and for the infant Middle Eastern conflict to grow into the dangerous monster that threatens the world today.

Another instructive and seminal foreign policy conflict was entangled around Allied policy towards the Arab states.

British policy towards Saudi Arabia in particular was regarded with some suspicion by the United States, especially by President Roosevelt, who thought that Great Britain's long-established relations with King Ibn Saud and our protection of the Moslem pilgrimages routes amounted to old-fashioned imperialism. In British eyes the policy of the United States seemed hardly less imperialistic, in relation to the emergence of a new interest of the American Government in Arabia, resulting from the very large oil concessions obtained by American companies. It was a classic and interesting example of disparate meanings being attached to that most flabby of modern political value words, imperialism.

This volume of the history deals with policy towards Spain, Argentina, Turkey, China the countries of the East. It illustrates the fairness as well as the complexity of the foreign policy which the Foreign Office had to advise the Government during the war. And it shows yet again how power the same, reasons of good will at the Office have to steer between the hurricanes of nationality and violent raging.

Philip H. British Foreign Policy Second World War, Llewellyn Woodward, Every Office, £9.

Warmest congratulations on the successful opening of the Daily Necessities Fair of The People's Republic of China at Olympia, London

热烈祝贺中华人民共和国日用品展览会在伦敦胜利开幕

from

Canton Chinese Restaurant	Cheung's Clansmen Charity (Europe) Ass.
Chiao Kwan Trading Co.	China Beauty Salon
China Town Restaurant	Chuen Cheng Ku Restaurant
Chung Ying Chinese Supermarket	City Friends Restaurant
Dao Heng Bank Ltd. (London Branch)	Dennis P. Chow
Fung-Air	Far East Chinese Restaurant
Fung Shing Chinese Restaurant	Y. C. Wu
Gerrard Chinese Restaurant	Golden Palace Restaurant
Greet Wall Chinese Food Supermarket	Guanghua Company
Ho Ho Restaurant	Hong Kong Cultural & Service
Hong Kong Printing Co.	Hong Kong Supermarket
Jade Garden Chinese Restaurant	Kam-Chuen Lew
Kwong Shang Lung Co. Ltd.	Lee Fook Electric Co.
Lee Ho Fook Chinese Restaurant	Lido Chinese Restaurant
Loon Fung Restaurant Ltd.	Loon Fung Supermarket Ltd.
Lucky Chinese Restaurant	Nan King Restaurant (Brighton)
Oriental Store	Overseas Trust Bank Ltd. (London Branch)
P. C. Mak & Co.	Pooms & Co. Restaurant
See Woo Hong Chinese Supermarket	Wah Mou Trading Co.
Wai Kee Fish Bar	Wen Tai Sun Co. Ltd.
Wong Kei Restaurant	

The Times Diary

Sunday morning with Charlotte

Among the great pleasures of this job are the occasional late arrivals. I recall one at the Dorchester Hotel on Sundays for pre-lunch drinks, to meet some new female cinematic sensation, invariably described on the invitation as "lovely". (They usually are, but there must be a less used word for it.) The magnet yesterday was "lovely British star Charlotte Rampling", also described on the press release as the "new Queen of Hollywood". She was to publicize her role as the arch-villain in Raymond Chandler's *Farewell My Lovely*, in which she is indeed stunning. Newcomers in the Sunday functions find it hard to pick up the relaxed routine. A woman from *The Sun*, there for the first time, was baffled by the lack of immediate action as Miss Rampling, wearing a long-jacketed blue suit, aply redolent of the thirties, came and sipped a drink.

"Is anything going to happen?" she whispered to me. "You look fairly inspired." (It must have been either my extremely old denim suit or the 22.75 barrel of I had in Shaftesbury Avenue last week.) As the snow sped lightly past the window, Miss Rampling was photographed indoors, and then, bravely but briefly, on the verandah. Next she settled down with the reporters.

The biography given to reporters noted that Miss Rampling was "only in her 20s", which I thought impressive, seeing that a few lines later it gave her birth date as February, 1946. I challenged her about this and she admitted to 30, adding that it was a watershed age. "After you're out of your 20s you can't make excuses any more," she said. "I'm 30 now." At this point her son Barnaby entered, a bronzed, good-looking child with a haircut which

"I don't want a baby," he declared. "I want a Coke." The talk turned to Miss Rampling's past as a symbol of the free-and-easy Chelsea girls of the 60s. She explained that she was simply fitting in with the prevailing libertarian ethos which began when the Labour Government was elected in 1964. "There were many people who didn't survive the 60s, because it was a very tough time," she explained. "Things are not at all tough for her now. She has a nice husband, who chimed in occasionally, discussing her character in terms which embarrassed me but not her. They live in a house in St Tropez, for tax reasons. The man from the *Daily Mirror* inquired what part of St Tropez he had a place there himself. "It's only a little shack on a hillside in the middle of a vineyard," he said apologetically. "But it's nice." I said I could offer nothing but a small allotment outside Brixton Prison, I put on my fake fur and left. I do like those Dorchester Sundays.

Unloved Not for a long time—since 1965, to be exact—have there been so many serving British ambassadors kicking their heels in London. Last week's repatriation on the ground of personal unacceptability of Sir Martin Le Queux, our man in Lagos, brings the total of withdrawn ambassadors, or equivalent, to four.

The first back to base was Reginald Second, recalled from Santiago, Chile, on December 30 in protest at the torture of Dr Sheila Cassidy in January 14, the Government of Argentina stated that the withdrawal of our Derrick Ashe

from Buenos Aires was "admirable" a hint duly acted on. We had aroused Argentinean anger by dispatching Lord Shackleton on an economic mission to the Falkland Islands, the British colony long claimed by Argentina.

Then, on February 19, Iceland broke diplomatic relations over the cod war, rendering the British ambassador in Reykjavik, Kenneth East, redundant pending an amicable solution of the undignified squabble.

Sir Martin went to Lagos in March, 1974, and would normally have had another year there before retirement. Ashe and East are expected to return, as soon as normal relations are re-established. Second's return to Santiago seems more problematic, since the Government are not going to be in a hurry to be seen to be nice to the Chilean junta.

The British Council operate a neat Catch-22 when distributing payments to their pensioners: a notice accompanying the payments reads: "IMPORTANT—if the envelope contains money, check the amount before opening. Claims for shortage will not be considered if the staple or flap have been disturbed."

Party time On Friday, the day the Northern Ireland Convention was wound up, they held a merry celebration at the Ulster office in Mayfair. They gave many good parties there, and the date of this one was coincidental. It was international day of the rugby between Ireland and England at Twickenham. The rugby team is out of the few all-Ireland institutions. The match is held in London every

two years, and the last hosting the party at between the Ulster Office and the Irish Embassy, St. James's, anybody using here? "I was told times, and it seemed as I would not, for most guests were ribald rug dials and camp followers in dinner jackets being allowed out on the town without the down a man from Rec's office—very easily enough by the look in his eyes.

He seemed fairly about the ending of d vention. "All these executives, assembled here, it's as though we're setting exams for the N Irish—and they show them."

Next day Ireland just match and there was an attack on Belfast. Having flunked the exam, pupils were trying to the classroom again.

Civil servants who in service are not allowed to before they leave, across the standard letter sent Department of Health Social Security in its day staff. "While I have no suppose that you go any sick leave before a day of service I want that staff are entitled to sick leave only if there prospect of return to duty," says it.



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ISONERS OF CONSCIENCE

Freedom ought steadily growing, yet the evidence just decade has been dis- to some extent other is have seemed more im- Nevertheless conscience anywhere be found alive pensive as Mr Solzhenitsyn has shown. Threats ical freedom have always What is new in our era systems of government ke out the future as their session, claiming to offer s and expecting the price sion to be accepted or ked. Governments of inds, whether or not they any political doctrine, so care nothing for politi- dom and put away those slike or fear. The political may thus be regarded as obol of repression, as the ction of a limitation on freedom. All political s everywhere must be for a of those who care for

Times publishes today the a weekly series that will a story of individual poli- sioners wherever they are Mr Ashok Mehta, a man years past in Indian poli- is, is one such prisoner in Mrs Gandhi's emer- Many of the prisoners will be less well known e is; some will be entirely

E KURDS PAY THE PRICE

ar ago, observers were shed by the public ce, at the Opec summit ence in Algeria, of the of Iran and the Vice-Presi- of Iraq, Mr Saddam Hussein. A conflict which had d second only to that in the Arabs and Israel in ture of national and ideo- venom was suddenly and unexpectedly resolved by prehensive agreement. The was naturally incredulous, ing that one side or other wriggle out of its bargain, at the formulae adopted be differently interpreted ch side and the agreement wifely collapse. has not happened. On the ary, the agreement has rigorously applied by both s, in the letter and in the t, and it appears that each out of it more or less he wanted. The Shah has ant only the rectification of outier which he had long ed in the Shatt al-Arab, lso a cessation of Iraqi ganda against him and a al re-orientation of Iraqi policy. Iraq now has smooth relations not only ran but with Saudi Arabia the various emirates of the (though a certain tension s with Kuwait), and has established diplomatic rela- with the Sultan of Oman, denominated as a stooge- ish and Iranian expert. The destructive force of a foreign policy is now ad towards the rival Baath e in Syria. Relations with Vest have improved, while with Moscow have percep- cooled. the Iraqi Baathists, of a, the great compensating has been the defeat of the sh revolt. For the first

vid Wood

ho governs, rasbourg or estminster?

prospect that next month's an summit in London, ree to direct elections in the an Parliament in May-June- continues to raise some of the speculative questions in West- r politics. What powers would uly elected European Parlia- demand, and what powers the national parliaments be to concede? In what num- and quality would candidates a European Parliament present elves? How much will they be compared with their West- r colleagues, and on what will they be provided with and services? Will they fight elections primarily as standard- rs for national parties, or as ers of the political groups in European Parliament, where y being made by socialists, an democrats, and Liberals? the United Kingdom have to the change to PR to ensure representation in the European ment? And how on earth will mistry's 635 constituencies be sctorily refashioned to make 67 European constituencies? Callaghan, the Foreign Secre- met some of these questions is customary party managerial- tness and aplomb when he the Parliamentary Labour at a special meeting last week- ent out of his way to soothe sceptics in the rank and file. powers for the European ment and PR? Relax, advised allaghan: "My own view is when you recall that it has 20 years for the original-) members to get as far as and the amount. I don't believe anyone will n make further changes for st of the century." Government's Green Paper on elections says that the Euro- Parliament's present powers id be the basis on which the

obscure. The publicity will not only, we hope, encourage their release; it will mark down all those countries where the first rule of political freedom is being transgressed: that a man should not suffer simply on account of the political opinions he holds, expresses or promotes in any reasonable way. This excludes the guerrilla or the terrorist. Whatever arguments may be advanced for violent revolution- ary action of this kind such activists are not in the same cate- gory as the political prisoner, who is obnoxious to the government solely for advocating a peaceful change of policy or government, or for expressing other opinions unwelcome to those in authority.

The choice of prisoners will be made by *The Times* and the articles to be published on our foreign pages will be written by staff members. The assistance of Amnesty International and other bodies has been sought and any other individuals with knowledge of particular countries will be consulted. Information of such cases is not always easily arrived at. Amnesty's experience has shown how ready governments return how ready governments that they hold any political prisoners (in fact because they define them as criminals or subversives) or to ignore the pleas made on behalf of such prisoners with the argu- ment that they are no business

time since it came to power in 1968 the Baath party's writ now runs throughout the length and breadth of Iraq. Its regime is now without question the strongest and most self-confident to have ruled Iraq since the palmist days of Nuri as-Said, and indeed the wealth derived from oil gives it an indepen- dence to which Nuri could scarcely pretend.

A strong Iraq looking for good relations with the West; peace and stability in the Gulf. These are certainly positive develop- ments which should be welcomed. Yet it is difficult to resist them when one knows the price that has been paid in being paid by the Iraqis.

The Baghdad authorities claim, and some of their representatives no doubt genuinely believe, that the defeated Kurds are being treated generously. The auton- omy law of March 11, 1974, is still on the statute book. An executive and a legislative council for the "autonomous area" function in the city of Arbil. Many of the Kurds who fled during the fighting have returned to their homes and are living, apparently, normal and peaceful lives.

Many others, however, have not been allowed to return to their homes but are being kept hundreds of miles away to the south. These, it seems, include former members of the Iraqi armed forces who defected to General Barzani's "Pesh-Merga" inhabitants of certain areas con- sidered strategically significant, and refugees who delayed their return before May 31 last year, thereby rendering themselves doubly suspect in the eyes of the authorities. In addition, non-refugee inhabitants of certain areas have been forcibly deported to the south.

first direct elections are held. Last week Mr Callaghan applied a different emphasis. He said he had no doubt that directly elected Euro- pean MPs would feel that they had greater authority "because of the very fact of having been elected" and would continue to claim more power from the national parliaments and the national govern- ments. Nevertheless, he added, it would still be the decision of national governments and national parliaments whether they intended to surrender any further powers; and "no one can force them to do so, except the state of public opinion in their own countries as reflected in their own national parliaments." Mr Callaghan's view, directly, is that the national parliaments in the Council of Ministers will stay entrenched.

A small working party of Euro- pean MPs, led by Signor Fazio Fa- brini, the Communist member from Siena, has met to be in London on Friday discussing some of Mr Callaghan's problems about direct elections, and they certainly fulfilled the prophecy that the European Parliament, once established, established rather than delegated, would feel armed to make an assault on the powers of national parliaments and on the executive powers of the Council of Ministers. The European Parliament, the working party agreed, could not continue as a consultative assembly once the votes of the people were behind it to carry out an election mandate.

For Signor Fabbrini and his col- leagues the question seemed to be whether the powers should be won or fought for before direct elections rather than after. Their dilemma was plain to see. Britain apart, the European Parliament has broad- little attention in press and broad- casting, partly because it is consul- tative in all aspects except the Com- munity budget, partly because it is not serviced by a Westminster-type Lobby that publicizes the personal and ideological conflicts occurring behind closed doors in group meet- ings, so that only smooth compro- mises show on the surface. Consequently, throughout the Nine the European Parliament has no significant force of public opinion behind it. Parliament proposes. The Council of Ministers, the European, submits, and the Commission dis- poses, and therefore get the lion's share of attention, and leave prime importance to national parliaments (or at least some of them).

of outsiders. When such govern- ments have refused to allow inquiries to be made by a repre- sentative of Amnesty their excuses can carry no weight.

Governments of all kinds will be found among those who imprison people for their political opinions. They may be communist or anti-communist; democratic or dictatorial; right- wing or left-wing. Often govern- ments that are demonstrably improving living standards for their people thanks to successful economic development will be especially irritated by charges that they hold political prisoners. —Singapore and Iran are examples—but means are as important as ends.

Some governments deny charges that they hold political prisoners when they are simply exercising inadequate control over their own security police. In some countries torture has for so long been habitual that no real effort is made to stop it. But all these acts are offences against political freedom and human rights. They must be protested against, always in hope of change, for it is particularly in those countries where better education and living standards are bringing greater political awareness that political freedom should find its proper place in the advance of the society.

The Baath regime also displays extreme reluctance to allow any genuinely autonomous Kurdish activity, even on the cultural front. In its official publications it avoids using even the name of Kurdistan, referring instead to the "autonomous area." Even the officially-recognized loyalist wing of the Kurdistan Demo- cratic Party, which participates in the ruling national front, is not allowed to publish its daily newspaper in Kurdish; and its leader, Mr Aziz Agrawi, was recently dropped from the Government.

The regime's aim is evidently to prevent further conflict by mixing the Kurdish and Arab populations as far as possible, whitewashing the predominant- ly Kurdish areas, and getting the Kurds to feel that they are to all intents and purposes Arabs. But this policy is being pursued in such a crude and insensitive manner that it may well be self- defeating. The Minister of Information in a speech last autumn even announced a finan- cial reward for Arabs who would marry Kurdish women, and vice versa. The immediate effect of such measures can only be to exacerbate Kurdish resentment, at a time when the Government might have had a good chance to exploit the Kurds' disillusion- ment with General Barzani and with the Iranian and American allies on whom he had unwisely relied.

Presumably the Baathists think they are now strong enough to ignore Kurdish resentment, and that the policy's long-term effect will be to root out Kurdish nationalism once and for all. Yet if Kurdish nationalism is any- thing like their own Arab nationalism, that will hardly be the case.

How, asked Signor Fabbrini and his colleagues in effect, may a publicly neglected parliament, or a parliament that lives by surferance and consultation, attract men and women of first ability to stand for election? The answer lies in what level of popular support are they likely to win from the electo- rate? And they have to face un- flinchingly the answer that ability of members and popular esteem will prove to be found up in powers. Until the powers have been wrested from the national govern- ments and national parliaments, there will not be many candidates of the quality of Willy Brandt, who is a special case, and there will probably be fewer European polls than we are used to in local govern- ment elections.

On the early evidence at West- minster, the Government green paper is consequently wise to favour the dual mandate for MPs (that is, membership both at Westminster and Strasbourg), at least to begin with in 1978 or thereabouts. There is probably no politician holding a United Kingdom constituency who would put his career at risk by plunging for Europe and withdraw- ing from Westminster, but several on both sides of the House see their future in Europe and would put their fortunes to the touch there if they could insure themselves by continuing at Westminster. After all, the pay (between £16,000 and £20,000 a year, it is rumoured, with staffs of senatorial size) attracts, and the European seat would con- tinue to a set term even if the West- minster seat were lost.

Nor is it easy to see how a poli- tician could make his name and provide himself with a party base unless he first won his spurs at Westminster. Unless, of course, we are eventually to finish up with the outrage of a party list system, whereby Smith Square would bureaucratically decide Buzign's turn. In the main, Mr Callaghan's guid- ance last week to the Parliamentary Labour Party seems wise. The balance between the national parliaments and the European Parliament will in the end be settled in a gradualist, evolutionary way, in the Westminster fashion, as a conse- quence of a struggle for power be- tween them. But I see signs that such a process of evolution will be travelled further by the turn of the century than he predicted.

Damages for air crash deaths

From Mr Bernard S. Engler
Sir, I feel that some reply is called for to the letter from Sir Iain Moncreiffe (March 3), but in doing so I must declare my interest as a solicitor acting for a number of the families of the victims of the DC10 accident. Sir Iain, according to *Who's Who*, is a member of Lloyd's.

In the course of the last two years I have met many of the relatives of the victims and I think that I have some idea of their feelings. They are not seeking vengeance, but if Mr Kwon, after watching the conduct of the defence over a period of five weeks in the case which has just finished, felt a sense of revenge one can understand his feelings. There are many who feel that it is the "innocent" insurers' failure to deal fairly with the families that has held settlement up for so long.

That viewpoint seems to me to be reinforced by the subsequent interferences from those who speak for Lloyd's. Mr McDonnell Douglas choose to make their product in California, where they must know that there is a strict product liability law and a high level of damages for wrongful death. If they do not wish to be at the risk they are now facing, they should manufacture their aeroplane somewhere else.

Equally, Lloyd's have taken a premium which one can sure has been calculated on an assess- ment of the risk, and if they do not wish to face the consequences they should either decline the insurance or make it a condition that the aircraft be manufac- tured in a jurisdiction where the damages would be more to their liking.

Sir Iain Moncreiffe errs when he refers to punitive damages not hurting the culprit. Punitives have been claimed and awarded in the Kween case. No evidence at all concerning the crash went before the jury. They were dealing solely with com- pensating the loss sustained by the family, and the award is the jury's view of the financial sum which represents the economic loss the children have suffered, plus that suffered by the grandparents, plus the value to be put upon the loss of the parents' society (admittedly a concept which is not yet known in English law). The award has been awarded (and there has been sought in many of the 300-odd cases still outstanding) those damages would have to be paid by McDonnell Douglas itself, as the law of California does not permit that risk to be passed against all such damage would in fact be paid to the relatives of the victims.

Yours truly,
BERNARD S. ENGLER,
11 St Peter's Square,
Manchester.

'Discount' for guilty plea

From Mr Henry Cecil
Sir, Professor Raphael writes in today's *Times* (March 5) that "like cases should be treated alike." The man charged with no previous convictions, are charged with conspiracy to rape. The evidence is that each held the girl while the other raped her. Their crimes are exactly the same. One of them pleads guilty, expresses his deep contrition and promises that he will do his best to control his lust in the future. The other pleads not guilty and, either personally or through his advocate, puts the girl through a grueling and offensive cross-examination in which he suggests among other things that the girl freely consented to intercourse. Then he goes into the witness-box and commits what the jury find to be perjury.

Would Professor Raphael, if the judge in the case, think it his duty to give a discount to these guilty men on the same sentence?

Yours faithfully,
HENRY CECIL,
6 Gray's Inn Square,
Gray's Inn, WC1.

Freedom of the press

From the Editor of "The Illustrated London News"
Sir, You are quoted today (*The Times*, March 4) as saying that you are not prepared to play any part in negotiations for a press charter as set out in the Trade Union and Labour Relations (Amendment) Bill, which will now shortly become law. Many will share your concern at Parliament's insistence on includ- ing as part of the Bill a charter for the press, but I am sure that your view, "regulate the proceedings of what is proudly claimed to be the freest press in the whole civil- ized world, dictated and created by a minister of the Crown."

And there's the rub, for however damaging a charter might be it will surely be a hundred times more so if discussions about it are boycotted by editors, publishers, jour- nalists or any others actively con- cerned in the working of a free press, with the inevitable result, in a year's time, that a charter is imposed upon us by a Minister who, though an indefatigable fighter for so many libertarian causes, has recently demonstrated that he gives freedom of the press a rather lower priority than industrial reorganiza- tion. If that happens because of our own lack of activity, and apparent unconcern, then I suspect that Parliament and people will take the view that we are getting no more than we deserve. Let us have a go then at pro- ducing a charter. The battle against a bad Bill has been lost, but the opportunity to safeguard at least some basic principles of press free- dom still exists, and it should surely not be too difficult for us to agree on what those principles are. If we fail, or if it is demonstrated that such a charter is a hindrance rather than helps the working of press freedom, then the onus will be on Parliament and on the Minister to change a law which will then be seen to be unworkable.

Yours etc,
JAMES BISHOP, Editor,
The Illustrated London News,
Elm House,
Elm Street, WC1,
March 4.

LETTERS TO THE EDITOR

Conservatives and the trade unions

From Mr John Garnett

Sir, I am sorry that your leading article of March 2 puts forward such a negative line on the efforts by Conservative leaders to produce some positive policies on trades unionism.

Any realist must accept that the Conservatives are likely to continue periodically to be the government of this country and what surely matters for industrial relations is that they should, whether in govern- ment or in Opposition, try to for- ward policies that are relevant to productive management union re- lations. This can only come about if they are in discussion with trade unionists at all levels, including the leadership. Such discussions will only have any meaning if Con- servatives recognize the essential role of the trade union movement just as others must recognize the es- sential role of effective management.

As Mr Jack Jones has said, this will need to be supported by deeds. It is therefore at least encouraging that:

(a) Mr Prior has been the first Conservative employment spokesman that I can recall who has called on legal Con- servatives to join recognized unions and to play a part in their meetings.

(b) A Conservative government will not set about dismantling some of the recent develop- ments in the industrial re- lations machinery which are highly valuable.

(c) Relevant worker partici- pation will be encouraged.

Wise trade union leaders have repeatedly said that they must deal with the government of the day whatever its political complexion. I believe most of us who are influ- enced by trade union policies would wish to deal in the same way with the opposition of the day which has power to influence the nation's future.

Yours faithfully,
JOHN GARNETT, Director,
The Industrial Society,
10 Boxgrove Road,
Robert Hyde House,
48 Bransford Square, W1,
March 5.

From Mr Nigel Saul

Sir, It is understandable that some Conservatives, like Mr Achroyd (March 4), should feel perturbed at the Conservative Party's attitude to the trade unions; it implies that the battle fought in 1970-74 were battles fought in vain.

Yet I would venture to argue that

over the Board and its activities. The balance has been tipped in favour of the Board's "independence", and its creatureliness should surely be weighed very carefully. Some such compromise may in the end be inescapable; but our two-week recess at least admits of some re-examina- tion of the problem.

On "complaint satisfaction", the Bill's provisions can now be seen to be seriously inadequate. The essential flaw is that the Police Complaints Board—unlike the Ombudsman—will be activated not by the complainant, but by the bureaucracy. Only when the Board is dissatisfied with a police disciplinary decision will it put in hand a review: there is no provision what- ever for the complainant to have access to the Board, or to initiate its operations, or to question its omissions. Viewed in the context of its qualified "independence", this feature must raise serious doubts as to the Board's capacity to ensure that justice is seen to be done.

The Bill's logic, and its logical contradictions, have led a number of members of the Standing Com- mittee to consider once again whether an Ombudsman alternative—originally suggested by Sir Robert Mark in a formal memorandum—might not after all prove viable. We shall certainly examine this alterna- tive carefully in the next two weeks, and we are grateful to the Home Secretary for giving us the opportunity to do so. It may prove in the end that the Government's propo- sals, warts and all, alone are viable. It will be easier to accept this against the background of our recess.

Yours faithfully,
MICHAEL ALISON,
House of Commons,
March 2.

British Art today

From the President of the Royal Academy

Sir, I was most interested to read Mr Paul Overy's article (March 2) on the exhibition "Arte Anglesa Oggi (1960-76)" presented at Milan, particularly so as the Royal Academy has plans for something similar and we hope just as exciting in the autumn of 1977. This, as we all now, will be within the period of Her Majesty's Silver Jubilee and our idea is to present a selection of British Art produced during the 25 years, 1952 to 1977. The choice will be difficult and no doubt disputed—hooray for that—but there should emerge a feeling of the time and even perhaps some pointers to the future.

Yours faithfully,
RICHARD CASSON, President,
Royal Academy of Arts,
Piccadilly, W1,
March 5.

The Poetry Society

From Mr Laurence Cotterell

Sir, It is good to see from today's *Times* (March 1) that our dissenters are now directing their energies into a constructive channel by starting a journal to join *Poetry Review* and more than a hundred other mag- azines which among them present such a wide range of contemporary poetry to the people of Britain.

I do hope, however, that the "reformer" quoted will not continue to issue encyclicals from his ivory tower. If he will come down among us, he will find that the National Poetry Secretariat, part of this organization, arranges about a thousand poetry readings and events each year, involving groups of every conceivable kind, and employing most of the leading poets of our day as well as a host of young, emerg- ing writers.

The Society's work in schools is

there is nothing inherently anti- Conservative in the newly-pro- nounced policy of Mrs Thatcher and Mr Prior. First, the reproachment with the trade unions is compatible with, and indeed will facilitate, the smooth operation of, the economic policy likely to be pursued by the next Conservative government. If Sir Keith Joseph accepts the logic of his argument that our inflation is the consequence of the monetarist explosion of 1972-73, then the curb- ing of union power becomes irre- levant. The restoration of free col- lective bargaining should follow once we accept the wage explosion as a symptom, not a cause of inflation. An imperative in a free society, this move should gain us the good-will of the trade union movement.

If the olive branch to the unions leaves us free to pursue an indepen- dent economic policy, the argument tends to revolve around the ques- tion of the closed shop. In the argument about liberty, free collec- tive bargaining is far more important, but the allegation is levelled that Mr Prior, as a Con- servative, is in favour of the individual nor to join a union. However, as Mr Butt has shown (March 4), he has left open the possibility that a Con- servative government might leav- ing this, should not put its opinion on the freedom of the individual has been violated by a closed-shop agreement.

I do not believe that Mrs Thatcher and Mr Prior have taken a step down the road to the corpora- tism. The vast majority of trade unionists and their leaders are con- servative with a small "c". We should take advantage of that. And if we do not accept the trade unions as legitimate spokesmen for the working population of this coun- try, then we should be free to ne- gotiate? Our own approach with the Industrial Relations Act failed: Michael Foot's legislation has settled in a manner satisfactory to the trade union move- ment a question that has plagued successive governments for the past 10 years. We in the Conservative Party must show our faith in the working people of this country by declaring that we find nothing inimical in legislation which favours a strong trade union movement. I remain, Sir, your humble and obedient servant,
NIGEL SAUL, Executive Council Representative, The Monday Club Universities Group, Hertford College, Oxford,
March 4.

From Mr A. V. Cottam
Sir, How comforting to be able to patronize Alexander Solzhenitsyn, as Professor Raphael does (March 5). Just one more thing, and of a long- lost of Russian intellectuals too stupid to understand the subtleties of the West, and if only we would encourage more Russian studies in our schools, we ourselves (as well as our pupils) would become intelligent enough to deal with Russian totalitarianism.

How? Tolstoy was intelligent enough to realize that vast military power must necessarily be used, even in spite of those sup- porters to control it, and this is why Napoleon attacked Russia. It is as if Hitler attacked Russia and why Solzhenitsyn now thinks Russia stands ready to defeat the West.

Mr Solzhenitsyn understands only too well the will and confidence that the West has lost in the last few years, to stand uncompromisingly for liberty—the exercise of the individual's God-given free will within the rule of law—as against the brutal coercion of the indi- vidual in the name of inhuman political theory.

In our own misguided little country, we are now beginning to see the first fruits of totalitarianism—closed shop for the press, admini- stration by television, local party manipulation, police corruption, City Crosses, the Shrewsbury pick- ets, even the compulsion to strap ourselves into motor cars. We used to know much better, and while there is still a choice it might be wise to consider the harsh fate that may be in store for us; in the journey via quagmire, insolence, and Miss Linda Loveless to the Gulag Archipelago.

Yours faithfully,
A. V. COTTAM,
Crownleigh,
Alderton, Woodbridge.

From Mr Herbert Brown
Sir, In the present ebullience over Solzhenitsyn, one of your corres- pondents (March 4) has advocated threatening Russia with nuclear retaliation if she threatens another country's independence.

Before we take this drastic step in aid of "freedom", we should consider the consequences. Half Europe would be incinerated, and what is left of authority forced to take draconian measures to prevent untold disorganization, revolution and roving bands of looters. What kind of freedom would this be?

Yours faithfully,
HERBERT BROWN,
31B North Side,
Wandsworth Common, SW18.

Play-tested toys

From Mrs Mary White

Sir, May I cite in support of Mrs Cleverly (February 13) and in answer to Messrs Smith and West (March 4) the results of a survey conducted by me of the preferences of a sample of my users who, it happens, have been under my eye for some years now.

Top, the plastic cylinder. Users employ this play-unit in a wide range of recreation situations, eg: 1 the outdoor play area (making multiple sand trickles, yainly attempting to entrap pond life, etc); 2 the indoor play area (mainly as head protection in militant confrontation situations); 3 during all-over ablutions (eg, to provide rainfall, multiple upward sprays and marine conveyance for Jumbies).

Bottom, play-units in nice boxes on which it is stated that these toys have the potential to contribute in the user's development.

Yours, etc,
MARY WHITE,
Burnt Oak,
Waldron, Heatfield.

French Kier facing Commons inquiry

Strict security guard for Shaikh Yamani at oil talks in Florida

The liquidity position had become acute, but £3.5m it said would help them to remain solvent and enable the building group to complete outstanding road contracts.

Inquiries the Government concluded that both the group and the construction company were likely to fail without help. In November, 1974 the Treasury agreed to an ex gratia payment of £3.5m to the group, and to a thorough review should be made at the end of 1975.

A year later, in January, 1975, the financial stability of the group was again said to be threatened by cash flow problems. Suppliers had threatened to refuse to supply credit terms. The Government agreed to provide outside firm of accountants to conduct a thorough independent study, but in the meantime the department obtained another £3.5m from the Treasury to keep road contracts operational.

After seeing the accountants' report, the department agreed to provide more aid, but on strict conditions. Besides the option to buy a 25 per cent share in the group, the Treasury after December 31, 1976, there were various stringent conditions about transferring funds within the group.

About three months ago Mr J. C. Smith, the new chairman, told shareholders that besides the road contract subsidiary, development and property investment companies were a problem area.

From Frank Vogi, Washington, March 7.

Extraordinary security precautions are being taken today in a small Florida tourist resort where Sheikh Ahmad Zaki Yamani, the Saudi Arabian Minister of Petroleum and Resources, is holding negotiations with the representatives of the Arabian American Oil Company (Aramco).

The meeting is believed to involve the completion of plans for the takeover of Aramco by the Saudi government. The minister arrived in Panama City, Florida, yesterday, and was soon joined by top executives of the four companies that own Aramco—Exxon, Mobil, Gulf and Standard Oil of California.

A spokesman for the State Department said today that Aramco had requested help in arranging security precautions for the meeting.

He said there was no substance to rumours suggesting that a secret meeting of ministers of the Organization of Petroleum Exporting Countries was being held in Florida. The Panama City meeting has been arranged by Aramco to resolve its negotiations with Saudi Arabia.

The spokesman denied that Dr. Henry Kissinger, the Secretary of State, was planning a meeting with the Saudi minister.

The strict security precautions were requested as a result of the terrorist activity that has been threatening the meeting of Opec ministers in Vienna in December.

It was impossible today to discover any details about the conference and journalists were barred from entering the Bay Point Yacht and Country Club, where the meeting is being held.

Sheikh Yamani arrived at the club by helicopter from Panama City in his private aircraft and was taken by military helicopter to the conference, while the oil executives all arrived in private jets to be met by dozens of special security agents.

The security precautions are perhaps unprecedented for a private business meeting in the United States. The Secret Service, the Department of Defense, the FBI, the Coast Guard, police and private security agents have all been involved in protecting the oil minister and the executives.

The *New York Herald Tribune* said the security guards had hired cars, boats and a helicopter in patrol the country club.

Jakarta: An Opec ministerial conference will be held on the Indonesian tourist island of Bali on May 27 as agreed upon at the recent Opec meeting in a Pertamina (Indonesian state oil company) spokesman said at the weekend.

The head of Pertamina's marketing division, Ali Satrio, made the statement following reports that the meeting might not be held in Indonesia because of changes made in the state oil monopoly, including the appointment of Suharto's head of Pertamina, by President Subarto—AP-Down Jones.

Revised SE rates to miss target date

By our Financial Staff

The commission rates proposed by the Stock Exchange will not go into effect on the target date of March 25 after all, because of delays caused by getting agreement from the Price Commission.

Proposals have now been approved by the Commission for the process to be longer than the SE expected, and some modifications had to be made to the original proposals.

These mainly affect the commission to be charged on pledged transactions, and will have the effect of reducing differentials between small and large gilt transactions.

It is also clear that the original proposals, which the SE disclosed on December 17 for submission to the Price Commission and to Irish authorities, would have led to a rise in commission on some small gilt bargains, while the rates would have fallen on bigger bargains. This change however, was disavowed by the Price Commission.

An SE spokesman said last night that it should be possible to submit the commission proposals, as revised and cleared, to the Stock Exchange Council within a few days. However it would not now be possible to have the revised commission structures implemented by the beginning of the Council's new financial year, on March 25.

Adoption of the new rates will require reprogramming of the Council's computers in which it itself is likely to be a fairly lengthy process.

Bigger role urged for Minister in fuel plans

By Roger Vielvoye
Energy Correspondent

Greater government involvement in the long-term planning of the nationalized fuel industries is suggested by two government advisers, as one of the ways of establishing a new United Kingdom energy policy.

In a discussion document Mrs Frances Morrell and Mr Francis Cripps recommend that the Secretary of State for Energy should approve the long-term planning objectives of each supply industry and not simply their investment programmes.

Mrs Morrell and Mr Cripps, who are advisers to Mr Wedgwood Benn, the Secretary of State, contend that nationalized industries compete with each other and operate on the basis of separately drawn up corporate plans based on independent assumptions about the fulfilment of their objectives rather than long-term national planning objectives.

They say the minister should be given the powers to make specific directives to the nationalized fuel industries and that the statutes controlling these corporations should be amended to bring them into line with this policy.

Mr Benn is already considering incorporating this power of direction into the new legisla-

tion that will govern the reorganization of the electricity industry in the wake of the Poundsay Report.

The document examines present policy guidelines for each of the industries, and in particular puts forward recommendations from the National Union of Mineworkers that the electricity must be produced at a lower cost than the coal. It also calls for a greater share of national energy requirements.

Mrs Morrell and Mr Cripps say it is a matter "of some concern" that most projects show that on the basis of present policies, the United Kingdom will have a shortage of electricity in the 1990s at the same time as a general low energy scarcity.

The implications for the pace of payments, domestic energy prices, security of supply and industrial development could be very serious.

"We could find our response to an emerging energy crisis being a crash nuclear programme, high prices to consumers in an environment in which houses had not adapted and where the United Kingdom had unsuccessfully depleted its oil and gas reserves and was again facing a balance of payments crisis with respect to imported fuel."

Electricals set terms for unity in CEI

By Derek Harris

In a statement issued last night the Institution of Electrical Engineers gave its terms for staying in the Council of Engineering Institutions. It has three conditions over and above proposals for reorganizing the profession.

The IEE, governing constituent draft by-laws for a reorganized CEI to chartered engineers last week with the aim of securing changes through the CEI's own power.

It underlined two major issues in the new by-laws. One is the method of electing Institution representatives to 'the CEI governing body, a proposal which fails to achieve a fairer order of representation by decision from representatives of institutions to freely-elected representatives of the profession as a whole'.

The Council statement went on: "It does not provide an equal opportunity of representation to all engineering institutions, non-chartered institutions that cater for a substantial number of chartered engineers."

It also emphasized the need for representation of the public interest which could enable the governing council to be more fully aware of the problems and requirements of industry and government."

The proposed objects of the CEI were too broad and should be restricted to professional matters, the electricals felt. The statement could also be interpreted as an uncompromising demand that half the CEI governing council be freely elected.

Ironically this was proposed by CEI itself earlier in the long controversy over reorganization and was later watered down by compromise proposals.

Leyland shifts blame for bus shortage

By Clifford Webb

Controversy over who is to blame for the continuing shortage of new double-decker buses took a surprise turn yesterday with the largest manufacturer, Leyland Truck & Bus, denying that it was any longer the chief culprit.

Instead, it blamed that private contractor, the new BRS, which could eliminate the problem by building more than 100 double-deckers a year. It has an integral construction similar to that employed on the trend-setting Leyland National, the single decker produced jointly by Leyland and the National Bus Co. in a purpose-built factory at Wokington.

But the operators seem reluctant to order the new model at such a high price in its development. They still show preference for the company's more traditional designs.

Another problem is that some of the companies have encouraged manufacturers to break Leyland's near-monopoly in double-deckers now feel compelled to support them with orders.

But the industry, which could influence orders is the Treasury's decision to replace the present 50 per cent subsidy payment on double-deckers by a grant for the beginning of the financial year beginning April 1.

the Italian lira and among the main topics of the central bank's next meeting will be the discussion of a central bankers' conference for international exchange rates in Basle today and tomorrow. Currency markets expected to be nervously busy, the bankers will want to make a bank of England's exchange for the decline which has pounded below the zero level and assess whether it will become a disturbing factor on currency markets for the near future. The sudden fall of the franc last week and the consequences of the lira will be the main topics of the apparent dampening last month's speculation downwards adjustment of the franc within the European currency "snake". Combined with the apparent acceleration of inflation in France, the latest currency disturbances are likely to raise again the question as to whether an adjustment of present exchange rate relationships between the "snake" can be banished for the medium term until after the West German elections in October.

The meeting, which is being attended by Mr. Johannes Witteveen, managing director of the International Monetary Fund, and Dr. Arthur Hansmann, chairman of the Federal Reserve Board, is expected to tackle at some length the planned auction of one-sixth of the IMF's gold stock for the benefit of the world's poorest developing nations.

According to European central bank sources, the IMF in Washington has yet to put forward concrete proposals.

Raises price ment yarn

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by ICI Fibres
beginning of April,
of the high tenacity
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Industrial yarns are
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Felixstowe group backs Ferries bid

An action group of Felixstowe dock shareholders was formed on Saturday to urge acceptance of a takeover bid by the state-owned British Transport Docks Board. They drafted the offer to propound by the state-owned British Transport Docks Board to take the port into the national scheme.

One of the group's leaders, Mr Geoffrey Woolard, said: "We intend to circulate all 3,000 shareholders next week, pointing out that the new offer is better for everyone."

Directors of the Felixstowe Dock and Harbour Company last weekend said they would support the legislation promoted by the British Transport Docks Board.

Guidelines will not curb NEB, Mr. Varley says

Mr Varley, Secretary of State for Industry, yesterday denied that the Government had accepted draft guidelines for the National Enterprise Board would place considerable curbs on the board's freedom.

He said it had been necessary to provide for a proper degree of accountability to the Government and to Parliament, but he thought it was "quite sufficient" to ensure that the purposes of the board would be curtailed, by such requirements as having to consult him before embarking on operations involving the use of public funds.

"The purposes of the board remain large and ambitious," Mr Varley added. "It is our intention that the NEB should have the powers of operational freedom."

Council puts plea to help home buyers

By Malcolm Brown :

Substantial savings on new housing can be made if many of those now on council waiting lists were enabled to choose between an assisted purchase house and a council house to rent. This is one of the main conclusions of the National House-Building Council in a report published last week. The government-established committee reviewing housing finance.

The council is an independent non-profit-making body, which sets minimum standards for new houses and attempts to protect purchasers from financial loss through defects.

In its evidence to the committee, published today the council says it is cheaper to help the same people to buy than to rent because private houses are built more cheaply, because owners do their own maintenance and management and because owners are less prepared to accept a lower proportion of their income to housing. There would also be big savings in public capital expenditure of up to £400m annually."

Chambers want 5 pc pay ceiling

The Association of British Chambers of Commerce is pressing the Government to set a 5 per cent limit in the next stage of the pay policy.

This suggestion, broadly in line with the proposals put forward last month by the Confederation of British Industry, is set out in the ABC's Budget recommendations to Mr Healey, Chancellor of the Exchequer, the details of which were released last night.

A key element of any voluntary pay policy, says the ABC, is that there will restore the incentive to work harder and accept additional responsibility.

The new pay norm should be based on a percentage formula with a minimum fixed element, that is, a very small percentage of incomes are given some protection against rises in the cost of living. The Chancellor should abolish the maximum qualifying limit for pay increases, the association adds.

It also calls for a review of present levels of income tax.

UK-Community mergers halved

Mergers and takeovers between British and EEC companies fell sharply last year, according to figures issued today by the London Chamber of Commerce. In 1975 there were 42 mergers or takeovers by United Kingdom companies, compared with 85 in 1974.

Uncertainties about future world trade and lack of available cash are the principal reasons given for the fall-off.

The survey also indicates a fall in the share of Britain's exports to the Community from 33.4 per cent in 1974 to 32.3 per cent last year.

Refinery closure poses new threat to tanker owners

Banking and shipping are worried by the closure of the Newfoundland refinery or Comeby-Chance last week. It could be disastrous for tanker owners, who fear the shutdown could trigger off a series of financial catastrophes.

Eleven ships totalling more than two million tonnes dead-weight have been on long-term charter to the refinery, and crude oil products to and from the \$250m (£125m) project. Now they all face unemployment in the present depressed tanker market.

The refinery's closure has an overall cash flow totalling about \$70m a year, according to one banker.

By the end of the new 32,000-tonne dwt *Surat* of Canzo, owned by Common Brothers of Newcastle upon Tyne, has been withdrawn from a highly profitable 16-year charter to the refinery.

Common Brothers has two sister ships on identical charters, while other owners have

eight very large crude carriers on timecharter to the company for varying periods.

Shipping groups believe Common Brothers is only the first to make such a move. It is their last resort for any shipowner to withdraw a vessel from a charter, and such a move in any subsequent court case, the shipowner has to prove reasonable cause for believing that further payments would be forthcoming.

Apart from Common Brothers, the other companies with funds directly fixed in the oilfields are the Mitsui, Senko, London & Overseas Freighters, Goaux-Larsen and Granges Shipping. All but two of these companies are now withers stretching into the 1980s.

Burmah, whose tanker troubles are already well known, will be further hit by the refinery closure as the 216,000-tonne dwt *Carnegie* has from GATX-Diogo and still has to pay for it.

EEC resistance to shipyard aid

By Peter Hill
Industrial Correspondent

Government plans to extend the inflation risk insurance scheme to handling export contracts to home orders are being frustrated by opposition from officials at the EEC Commission.

British shipbuilders, who have been pressing the Government to introduce measures to stimulate the flow of orders, particularly from United Kingdom owners into the yards, were expecting a government statement of an extension of the scheme last month.

Instead it appears that a statement by either Mr. Varley, Secretary of State for Industry, or Mr. Gerald Kaufman, his Minister of State, will be delayed until the difficulty with the EEC is overcome.

United Kingdom shipyards which are scheduled to be nationalized later this year, must now place new orders quickly to avoid redundancies in some yards some time after nationalization is to be averted.

Last year the industry gained orders for less than 70,000 tons gross of cargo for steam shipping, and this compares with more than 100,000 tons gross of cargo of those years from British companies, against a traditional level of about 30 per cent.

Extension of the inflation-risk insurance scheme to bunker orders seemed to the shipbuilders a fairly simple and straightforward means to encourage owners to bring forward one or two orders to cover yards despite the continuing recession in shipping.

The industry has discussed other measures with the General Council of British Shipping and Whitehall, including a swap-and-hold policy, a stop-loss scheme and other incentives.

But the EEC Commission apparently is not happy at some aspects of the inflation-risk insurance scheme if it were to be applied to home orders. Under the terms of the scheme, however, it would be applicable only on the British content of the exclusion design content in the form of component

and machinery—yard therefore would seek to obtain domestic subcontractors.

France and Germany are apparently not at all happy, arguing that the scheme would discriminate unfairly against their industries.

But pressure for the scheme has been extended is strong, and the Departments of Industry and Trade are pressing strongly in Brussels for approval.

Mr Derek Kimber, chairman of Wearside shipbuilders Austin & Pickersgil, which last week disclosed that it had picked up two export contracts for its SD 14 ship (taken at fixed prices and covered by the scheme), said: "I believe extension of the scheme to home orders will stimulate some owners."

Representatives of the world's leading shipbuilding nations are scheduled to meet in Paris today, and tomorrow for talks on over-capacity in world shipyards.

Orders can be found, page 16

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The Council of The Stock Exchange has admitted to the Official List £1,437,500 of 7 per cent Convertible Unsecured Loan Stock 1957/67 of External Investment Trust Limited. Particulars of the stock are available in the Exact Statistical Service and copies of these particulars may be obtained during normal business hours on any weekday (Saturdays & public holidays excluded) up to and including 25th March, 1970, from:-

Grieveeson, Grant and Company
Barrington House
59/67 Gresham Street
London EC2P 2DS.

The image shows a Ford logo at the top, consisting of the word "Ford" in a stylized script font inside an oval border. Below the logo, the text "BEARER DEPOSITARY RECEIPTS" is printed in a bold, sans-serif font. Underneath this, there is a paragraph of text explaining the dividend declaration by the company on January 1976, stating that the dividend will be payable to authorized depositaries after March 1976 against presentation to the depositary before a claim form is obtained from the depositary. Below this paragraph is a table with two columns: "Gross Distribution per Unit" and "Less 15% U.S. Withholding Tax". The table has two rows of data: one for "3.00 cents" and another for "0.45 cents". To the right of the table, there is a calculation showing "2.55 cents per unit" and "2.012583 per unit". At the bottom, the text "Converted at \$2.0245" is printed. Below this, the name "ISTARY" is printed, followed by "and Westminster Bank Limited," and "K OFFICE SERVICES, (Floor)." and "7THBURY, DON. E.C.2." and "rch 1976."

BY THE FINANCIAL EDITOR

Need for realism in property shares

Enthusiasm is infectious, and the stockmarket is particularly prone to the disease. So it is not surprising that talk of a revival in the physical property investment market should have brought investors flooding back into the shares of the financially "safe" property investment companies. Enthusiasm can, however, blur the line between optimism and realism. And in the case of those "safe" property companies, the market's enthusiasm has now run far ahead of the facts.

A number of the leading property investment groups now stand at discounts of between 10 and 20 per cent of their reported net assets, an historically unrealistic premium. Throughout the 1960s 30 per cent was the average discount to assets, a discount which helped to take account of both the tax costs of disposals and the impossibility of arriving at a realistic "break up" value for a major property company.

In the grim days of 1974 and 1975 discounts of 80 per cent or more were common. And, while the outlook for property companies is clearly better than it was in 1974-75, the stockmarket's recent enthusiasm for the sector now seems to have been overdone.

To see why the shares are too highly rated it is necessary to identify the reasons for renewed interest. In the sector, last year, the ending of the commercial rent freeze of last year helped to convince the market that the Government had not really intended to kill the property industry.

After that, the gradual slide in interest rates provided much needed relief for the over-borrowed property companies, and combined with the success of the Bank of England's holding operation which prevented property companies' creditors from precipitating a avalanche of forced property sales, fears of a complete sector-wide collapse gradually evaporated.

Since the turn of the year the main encouraging news for property has been the revival of institutional investment properties. At first only prime rack rented properties could find buyers, then estate agents started reporting that the supply of such ideal investment properties was running out, fields were selling out, institutions were willing to take up shorter reversionary properties.

All this talk has helped the stockmarket ratings of the property companies, as a revival in the physical property market clearly has to justify portfolio valuations. It also enables companies to de-gear through disposals, and it adds substance to the belief that property values will shoot up once the commercial rent freeze is over and once the acute shortage of commercial and industrial space—caused by the current near cessation in new development—translates into higher rents.

Accepting all the good news at its face value will not be justification enough for an historically high rating for the "safe" property shares, particularly given that dividend controls leave a heavy question mark over their ability to convert reversionary earnings growth into benefits for investors.



Mr Kenneth Cork, receiver to Brentford Nylons: problems of supply.

an equivalent reversionary property when it can get 13 per cent in gilt edged stock.

So, unless there is a continued significant decline in interest rates there seems little immediate scope for a further increase in property values.

The case for additional increases in property values is also undermined by the kind of rent increases and lease renewal terms which were common in the early 1970s. And even if the current slow-down in new developments does result in a space shortage by the end of the decade, the recent staggering rise in rates must act as a severe depressant upon rental growth in years to come.

There remains a case, for raising property shares, a significant premium to the value of the equity market, a case based partially upon the quality of rental income, the value of holding large tranches or, generally, low coupon debt in an inflationary economy, and on other considerations.

Copper
Where the price is going

Copper's dramatic price jump on the LME on Friday to the highest level since September 1974 generated considerable excitement as well as causing some investors to talk of the metal reaching £850 a tonne this year.

However, Friday's £23.50 increase was due more to the declining fortunes of sterling than anything else. Of course, the southern African situation had its effect, as did talk of a stabilization of the LME stockpile, but Friday's increase still owed more to technicalities rather than to fundamentals.

Until the latter part of last week, the upward movement through the £600 level and beyond which has developed over the past couple of weeks was the result of the political problems confronting southern Africa, with Zambia, Zaire, South Africa and Rhodesia, accounting for some 23 per cent of the non-Communist world's production.

This is not to deny the brightening horizon for copper. Lead indicators in the United States show a revival in industrial activity—motor car production has risen significantly—with Japan, and to a lesser extent, Germany, joining in.

Against this, the market is overvalued with some two million tonnes in stockpiles, although the rate of increase in the LME stockpile has been declining, and was possibly more or less static last week, while there is

perhaps 20 per cent of spare mining capacity, not all of which could be immediately reactivated.

The course of copper is upwards, but it will not be without its setbacks. Quite how far it will advance is another matter, but barring major political upsets the average for the year is likely to be in the £650-£700 range and a price of £850 seems firmly out of court.

In terms of shares, Rio Tinto Zinc will be a major beneficiary from any increase, but RTZ's shares have been remarkably stable of late given the hopes pinned on its Rossing uranium project which is sited in Namibia. Inspiration Consols' Copper should not pick up on chartist buying if nothing else, which would help Minorco, while Lornex, the Canadian producer on which RTZ still has a share, is a good investment although some way from paying a dividend.

Receivership
Debenture holders' problems

The friendly agreement arrived at last week between Mr. Kenneth Cork, receiver to Brentford Nylons, and the group's two major suppliers has staved off the threatened closure of Brentford's factories. But the broader implications of the incident have not been lost on Mr. Cork, or his colleagues at the Institute of Chartered Accountants, who concern themselves with insolvency practice.

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Ten years ago this week—when technology was still white hot and Mr. Benn its Minister, a new word was invented and a new branch of applied science established. The word was tribology, coined to describe the technology of the interaction of surfaces. It was all done by direct government action and with government money.

Lord Bowden, then Minister of State for Science, was its political midwife. He set up a working group to look into the industrial aspects of lubrication and allied matters. The late Sir Richard ("Oto") Clark, then the civil servant at the head of the new Ministry of Technology, was its most effective Whitehall sponsor. That resulted in the setting-up of a Committee on Tribology and three centres to pursue the subject, at Leeds, Swansea and the Atomic Energy Authority's place at Risley.

The total cost of the launching aid for this new technology was £750,000; the total government expenditure over its first six years was under £1.5m. The centres rapidly became self-supporting by selling their research

and other services. The saving each year to British industry from the ideas and techniques consequently developed have been conservatively estimated at 300 times the total of the money spent by the Government. In short, the whole little story seems to be a model of effective government intervention in the industrial sphere, producing high returns for modest outlays and regenerating the productivity of British industry by increasing its competitiveness.

As one might expect from this brief account of a mission successfully accomplished, the Committee on Tribology was then abolished. It went for no very clear reason, other than that it was an easy candidate for the chop, because it had no vested interest or effective pressure group fighting for its continuance.

In a rational world different lessons would have been drawn from the story of tribology in the past 10 years. We are now in a situation where governments of any party are drawn into spending substantial sums of the taxpayer's money to support

able income is probably the least worrying of the three. The rider is that the principal wage settlements for this year have still to be settled.

At present the negotiations for the 3.6 million workers in the engineering industry, which is the largest sector in the industrial area that the final result lies somewhere in between the employers' offer of 4 per cent and the union claims of between 7.5 and 8.5 per cent, then disposable income should rise by 5 per cent in 1976. But assuming this year is unlikely to be more than 5 per cent.

Also, it is fair to assume that Germans will be saving less of their disposable income this year than in 1975 when at one point the personal savings rate averaged 18 per cent.

Exports are more uncertain, but there are hopeful signs. IFO reported that expectations of an improvement in exports stretch from the motor industry, which is doing well, to the investment goods industry, which is doing better than expected. In the final quarter of last year German exports (on a price and seasonally adjusted basis) rose at an annual rate of 15 per cent compared with the third quarter of 1975.

On the other hand, export orders and deliveries have yet to reach the level that preceded the slump, but with a steady rise in world trade in prospect it seems reasonable to assume that Germany will be able to profit fully or even at an above average rate from this trend.

This leaves industrial investment. According to the IFO report, capacity utilization in the investment goods sector in January was sticking at 80 per cent, unchanged from the level in October and no better than the average for the whole of Germany's industry.

If there is any serious question over the intensity of the economic recovery in West Germany, it is the apparent slowness of the investment goods sector to join in the general upturn in activity. In tripartite talks between the

German government, the unions and the employers towards the end of February, precisely this point was made by Dr. Hans Martin Schlenger, the employers' president.

There is little indication at present that German industry plans to raise its investments this year either in nominal or real terms. IFO reported in the autumn that investment by manufacturing industry was likely to fall by a real 6 per cent this year after a decline of 5 per cent in 1975. Since then leading companies and certain successful ones such as Siemens, have individually confirmed that their 1976 investments to West Germany are pointing downwards which means that in the medium and longer term the number of new jobs which will be created will be few.

Hugh Stephenson

Tribology: a moral tale about government aid

industry. Whatever politico-industrial theory may have been worked out in advance, when it comes to the crunch the government of the day puts up money to preserve existing jobs. The Heath government could do no more than let Rolls-Royce close down the Wilson government could let Chrysler (UK)—despite the fact that in both cases the respective governments were faced with the need to make a decision against the background of recently adopted policy statements in quite the other direction.

We are also in a situation where, despite a volume of more or less ritualistic attacks on the National Enterprise Board and other instruments of intervention, there is a prisingly widespread consent that the proposition that there are some things in the industrial area that governments will, and should, do.

In this case, for example, for a fraction of the cost of the operation which failed to save the *Scottish Daily News* (or any of the other of those £4.9m "rescue" schemes under the Industry Act), the money spent on

tribology must in practice be served and created more in pound of public money than any other single political statement could be expected to generate.

The reasons for this are always and with an industry which is expected to spend money in the same places are only too understandable. If, however, there is industrial regeneration in this, it will only be on the basis of money being spent on projects which increase the wealth-making capacity of the British economy.

If money is to be used in the way of the British economy, the sequence will be that more money will have to be put in to hold and last. Tribology did not do this, because there were clear short-term results. Many mines, on tribology, however, fewer Corcoran, for example, have reduced the level of expenditure and increased the product at one and the same

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Germany in the midst of its first consumer-led recovery

Finance Minister, opened a clothing fair in Cologne with the observation that the economy had "sprung into action" while Herr Josef Stangl, the Federal Labour Office president, told a newspaper interviewer that by early autumn this number of unemployed would be "appreciably" under one million.

According to IFO, two sectors of industry—the consumer durable and traditional consumer goods industries—have turned the corner. Without doubt the motor industry has been the prime mover of growth.

The motor industry has produced a revival of consumer confidence after the shock of the oil crisis. The process has been helped by an average of 80 per cent for the whole of industry, and all manufacturers told IFO that they planned to increase production and personnel in the three months ahead.

In turn, other sectors of the consumer durable industry are reporting improved business and the spirit of optimism has spread to this branch of the electrical industry and camera and furniture makers.

Similar satisfaction has been expressed by the standard consumer goods industry. In particular, confidence is running high in the clothing industry where capacity utilization is at present 91.5 per cent.

In short, West Germany appears to be experiencing something new in its history—a consumer-led economic revival. Previous upswings have always been led by demand for investment goods and underpinned by exports.

But it is partly the novelty of the situation that has made judging the present upswing so difficult. All commentators agree that the German economy has been in a slump since the summer of 1975. The question has been whether the upward trend will prove to be just a flash in the pan or whether it is the beginning of a more permanent upwards movement in which a recovery in exports and industrial investment will play a part.

Despite the recovery in confidence there are three question marks over the medium and longer term outlook. These relate to the outlook for disposable income and for exports and industrial investment.

Although Germany is at present in a consumer-led recovery, the outlook for disposable income is probably the least worrying of the three. The rider is that the principal wage settlements for this year have still to be settled.

At present the negotiations for the 3.6 million workers in the engineering industry, which is the largest sector in the industrial area that the final result lies somewhere in between the employers' offer of 4 per cent and the union claims of between 7.5 and 8.5 per cent, then disposable income should rise by 5 per cent in 1976. But assuming this year is unlikely to be more than 5 per cent.

Also, it is fair to assume that Germans will be saving less of their disposable income this year than in 1975 when at one point the personal savings rate averaged 18 per cent.

Exports are more uncertain, but there are hopeful signs. IFO reported that expectations of an improvement in exports stretch from the motor industry, which is doing well, to the investment goods industry, which is doing better than expected. In the final quarter of last year German exports (on a price and seasonally adjusted basis) rose at an annual rate of 15 per cent compared with the third quarter of 1975.



Hans Apel, the Finance Minister: "The economy has sprung into action."

Government, the unions and the employers towards the end of February, precisely this point was made by Dr. Hans Martin Schlenger, the employers' president.

There is little indication at present that German industry plans to raise its investments this year either in nominal or real terms. IFO reported in the autumn that investment by manufacturing industry was likely to fall by a real 6 per cent this year after a decline of 5 per cent in 1975. Since then leading companies and certain successful ones such as Siemens, have individually confirmed that their 1976 investments to West Germany are pointing downwards which means that in the medium and longer term the number of new jobs which will be created will be few.

In a controversial model, the economics ministry has calculated that German industrial investment will have to rise by a real 8 per cent per year in 1980 if unemployment is to fall to an "acceptable" level of 2.5 per cent or around 300,000. At present there is little sign of this hope being fulfilled.

Not only is industry not investing sufficiently, but those investments that are being made are mainly to cover replacement of worn-out plant and equipment rather than to create jobs. Furthermore, Germany is experiencing a change in the demographic trend.

Peter Nor

A shipbuilder who proves that orders can still be found

Resting on a window ledge in one of the director's offices at the Wearside shipbuilding group of Austin & Pickersgill, Kimber, is a pair of telephone directories. One is for Hongkong and the other for Kowloon and New Territories.

That they should be there is as significant as the fact that for A & P, which has notched up some spectacular successes in the Far East and last week produced the rewards for the 72 hours spent by Mr. Derek Kimber, A & P's chairman, in the Crown Colony last month.

Mr. Kimber was able to tell managers and workers that A & P had an order for one of the world's largest bulk carriers, a 20,000-ton ship, and another similar order in prospect for further orders by the middle of this year.

For the company's 2,700 workers that visit to Wearside that is a triumph. It is regarded as one of the most important shipping centres in the world, meant work for another two years.

Industry in the regions

meil Laird and the demise of Court Line—has been based on a highly successful and marketable product, the SD 14, conceived originally as a replacement for the old Liberty ships, which has become the world's best selling standard design cargo ship—bearing even the Japanese Freedom type.

Says Mr. Kimber: "We have built 83 SD 14s here in Sunderland and we have made a profit on every one of them and we do not intend to depart from that success rate if we can help it."

We are a company with our tails up and our heads high."

In all the SD 14s have been sold to nearly a score of countries around the world and total orders for the vessel (now in its fourth series) exceed 180 with licenses in Greece, Argentina and Brazil.

At the company's yards at Sunderland, an SD 14 is leaving the berths every 30 days. Last week's events at the yard are perhaps a useful guide to the level of activity at A & P. It leached out in SD 14 and its sixth bulk carrier—design known as the B26—for a subsidiary of Houlder Brothers; in the same week it handed over the fourth in a series of SD 14s built for Cuba, and completed five SD 14s and handed over 12 to associates of the Hongkong company. Tel-Hu Steamship, to the same rack it reached an advanced stage with undisclosed orders for new work worth in excess of £9m.

Simultaneously the company is going ahead with a £27m modernisation scheme—some prevarication as a result of meat over the company's application for loan assistance—and

is being helped by a £2m grant from the industry to complete the scheme. The company's output is from the equivalent of 14s to 17 or 18 a year.

Mr. Kimber launched three against the General Council of British Shipbuilding, which says that the company's output is from the equivalent of 14s to 17 or 18 a year.

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Business Diary in Europe: Centre play • GM's McCormack

Olivier Giscard d'Estaing, the Harvard Business School-trained younger brother of the French president has been in London plugging his Centre Européen de Commerce International. He started CECI 18 months ago as a non-profit-making conduit of information between Third World commerce ministers and EEC financial and industrial interests, enabling Europe to compete more keenly with the Japanese or the Americans.

The Frenchman was last week trying to beef up financial contributions from British firms. Dunlop and P.A. Management Consultants have already put in a membership fee (minimum £5,500 a year), and later in this week he was able to announce that Barclays Bank International had signed up.

He is still working on about a dozen other British firms,

but although CECI has IRI and Fiat in membership in Italy and bankers Bruxelles Lambert in Belgium, there is still no cash in the French company—and CECI's headquarters are in France.

Membership of CECI brings with it access to information on projects such as dams or power stations in the centre's member developing countries. There are now 12 such countries, among them Cameroon and Zaire.

Change of driver

General Motors in Europe begins to adjust to its new leadership this week, as John McCormack takes over from Alexander Cunningham as general director, European operations, for GM Overseas Corporation.

Cunningham is off back to the United States, where he has been promoted to be a vice-president of GM and general manager of GM's overseas operations division.

McCormack is coming from Germany, where he's been managing director and chairman of the board of Adam Opel, the Russelsheim GM subsidiary and West Germany's second biggest car manufacturer. He's succeeded there by James Waters, GM's general director of Latin American operations.

taken him to Indonesia, Pakistan, South Africa and back to New York, then off to Belgium before joining Opel as finance manager five years ago.

Once settled here, one place he may consider is Kew Gardens, for he was born at Kew Gardens, New York.

Italian ferment

The headquarters staffs of Italy's two main parasol groups, the big conglomerate IRI and the hydrocarbons corporation ENI, are in near revolt over the degeneration of the public sector. In separate meetings both have made statements strongly criticizing their top management.

A motion approved unanimously by nearly 300 IRI executives and employees expressed "bitter concern" at the crisis affecting the corporation, which had been exacerbated by the scandal aroused by the case of Camillo Crociani, former chairman of its Finmeccanica subsidiary, who went abroad to escape arrest on a charge of corruption.

The motion called for a return to normality at the head of the corporation, noting that the term of the president, Professor Giuseppe Pettrilli, expired officially last October and that the terms of two of the five-man presidential committee which assists him had expired nearly a year ago.

government will reconfirm Pettrilli is now a political issue, as he is supported by the Christian Democrats but is increasingly unpopular with the opposition, notably the Republicans and Communists.

At ENI the headquarters executives sent last week a letter to the chairman, Pietro Secchia, complaining that the internal restructuring which he announced last December had so far remained a dead letter.

This unreasonable delay, they maintained, had resulted in a "substantial paralysis" of the corporation when dealing with its subsidiary companies and an absence role when facing the government—at a time when the gravity of the economy required decisive action.

Secchia has reacted by reaffirming that the reorganization will go ahead and by promising talks during the week on new posts to be filled. But the ferment in the company has not yet subsided.

Curtain raiser

China is the centre of the world: for the purpose of getting business from the People's Republic, you have to act it.

French government experts believe that, after a trade slowdown during the latter part of its 1970-75 economic plan, China will soon start assigning fresh contracts. And in this connection French instrument and precision tool makers are on the point of opening an exhibition in Peking.

Friday's seminar was not government-run, however. Though heavily backed by the China section of the Department of External Trade, and a new Gaudis-supported creation, the Franco-China Economic Association, the affair was actually staged by the non-official, but officially blessed Institut Supérieur de Commerce Extérieur. Highlights were the personal contributions of the French-Chinese trade representative, the representative of the Marseilles shipping agency, Watson Brown, and of members of French concerns like Technip.

Technip put in for, and eventually got, the job of building an enormous electrochemical complex in Manchuria. But its pre-contract discussions in Peking, extended over 18 months and were physically exhausting and often painful.

When the breakthrough finally came and the contract, in English, was finally signed, the Chinese still did not go overboard to demonstrate their pleasure. When they left Peking Technip's negotiators were presented with a picture made from feathers.

Olivier Giscard d'Estaing in London.

FINANCIAL NEWS AND MARKET REPORTS

Freight report

A stronger dry cargo sector, but a weakened Arabian Gulf oil trade, dominated the freight markets last week. Rates for grain, sugar, oil and other commodities, left the dry cargo trades much healthier than at any time so far this year. However, in oil, the majors were able to take 2.5 points (40 cents) off Arabian Gulf to Europe VLCC shipments, leaving them at Worldscale 25 (\$4.04 per ton).

Sugar promised to be a prime source of employment over the next few weeks with the freight markets, like the commodity exchanges, hearing rumours of massive sugar purchases by the USSR and China. Although the purchases may not yet be fully under way, shipowners are confidently expecting them before too long.

The same cargo was also being heavily canvassed in the East. Traders issued no fewer than nine ship orders to lift sugar from Bombay to various destinations last week, all of them for March/April movement.

Craig Howard

Bank Base Rates

Barclays Bank	91%
First London Secs	91%
C. Hoare & Co.	91%
Lloyds Bank	91%
Midland Bank	91%
Nat Westminster	91%
Rossminster ACC's	91%
Shenley Trust	113%
Williams & Glyn's	91%

* 7-day deposit on sums of £10,000 and over, 6%, over £25,000, 6.5%.

Weekly list of fixed interest stocks

Stock	Price	Yield
Albion 7 1/2	105.00	6.00%
Albion 8 1/2	105.00	6.00%
Albion 9 1/2	105.00	6.00%
Albion 10 1/2	105.00	6.00%
Albion 11 1/2	105.00	6.00%
Albion 12 1/2	105.00	6.00%
Albion 13 1/2	105.00	6.00%
Albion 14 1/2	105.00	6.00%
Albion 15 1/2	105.00	6.00%
Albion 16 1/2	105.00	6.00%
Albion 17 1/2	105.00	6.00%
Albion 18 1/2	105.00	6.00%
Albion 19 1/2	105.00	6.00%
Albion 20 1/2	105.00	6.00%
Albion 21 1/2	105.00	6.00%
Albion 22 1/2	105.00	6.00%
Albion 23 1/2	105.00	6.00%
Albion 24 1/2	105.00	6.00%
Albion 25 1/2	105.00	6.00%
Albion 26 1/2	105.00	6.00%
Albion 27 1/2	105.00	6.00%
Albion 28 1/2	105.00	6.00%
Albion 29 1/2	105.00	6.00%
Albion 30 1/2	105.00	6.00%
Albion 31 1/2	105.00	6.00%
Albion 32 1/2	105.00	6.00%
Albion 33 1/2	105.00	6.00%
Albion 34 1/2	105.00	6.00%
Albion 35 1/2	105.00	6.00%
Albion 36 1/2	105.00	6.00%
Albion 37 1/2	105.00	6.00%
Albion 38 1/2	105.00	6.00%
Albion 39 1/2	105.00	6.00%
Albion 40 1/2	105.00	6.00%
Albion 41 1/2	105.00	6.00%
Albion 42 1/2	105.00	6.00%
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Albion 53 1/2	105.00	6.00%
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Albion 55 1/2	105.00	6.00%
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Albion 67 1/2	105.00	6.00%
Albion 68 1/2	105.00	6.00%
Albion 69 1/2	105.00	6.00%
Albion 70 1/2	105.00	6.00%
Albion 71 1/2	105.00	6.00%
Albion 72 1/2	105.00	6.00%
Albion 73 1/2	105.00	6.00%
Albion 74 1/2	105.00	6.00%
Albion 75 1/2	105.00	6.00%
Albion 76 1/2	105.00	6.00%
Albion 77 1/2	105.00	6.00%
Albion 78 1/2	105.00	6.00%
Albion 79 1/2	105.00	6.00%
Albion 80 1/2	105.00	6.00%
Albion 81 1/2	105.00	6.00%
Albion 82 1/2	105.00	6.00%
Albion 83 1/2	105.00	6.00%
Albion 84 1/2	105.00	6.00%
Albion 85 1/2	105.00	6.00%
Albion 86 1/2	105.00	6.00%
Albion 87 1/2	105.00	6.00%
Albion 88 1/2	105.00	6.00%
Albion 89 1/2	105.00	6.00%
Albion 90 1/2	105.00	6.00%
Albion 91 1/2	105.00	6.00%
Albion 92 1/2	105.00	6.00%
Albion 93 1/2	105.00	6.00%
Albion 94 1/2	105.00	6.00%
Albion 95 1/2	105.00	6.00%
Albion 96 1/2	105.00	6.00%
Albion 97 1/2	105.00	6.00%
Albion 98 1/2	105.00	6.00%
Albion 99 1/2	105.00	6.00%
Albion 100 1/2	105.00	6.00%

Jacques Borel ahead
Major French hotel and restaurant chain operator Jacques Borel International, whose net operating profits last year by 24.4 per cent to 20.14m francs. Net consolidated profits rose from 16.2m to 20.1m francs. Turnover rose from 797m to 1,000m francs. Earnings a share moved from 15.3 to 16.3 francs on capital raised 20 per cent to 1.23m shares. This excludes those issued in the bid for Sofitel and Cie des Hotels Jacques Borel—Reuter.

Company	Price	Yield
Armstrong & Rhodes	33	1.0
Deborah Services	104	7.5
Henry Sykes	145	1.9
Twinlock Ord	22	1.9
Twinlock 12% ULS	64	12.0
Unilock Holdings	60	2.5

BETT BROTHERS LIMITED

The Twenty-ninth Annual General Meeting of Bett Brothers Limited was held in the Angus Hotel, Dundee, on Friday, 5th March, 1976.

The following are extracts from the circulated statement of the Chairman, Mr Albert A. Bett:

The Group profit for the year ended 31st August 1975 after meeting all charges, including depreciation, but before taxation, amounted to £1,741,348. There are no exceptional land transactions included in this figure, whereas the comparative figure for the previous year of £1,852,054 included a surplus of £44,837 arising from the sale of ground excess to requirements. After providing for taxation the profit amounted to £800,335 as compared with £871,192 in the previous year.

The Directors recommended a Final Dividend of 1.635p per share payable on the 8th March 1976, making a total distribution for the year of 2.772p per share, the maximum permissible under the Companies (Dividends) Order.

This compared with 2.393p for the previous year.

Certain Shareholders have waived the proposed final dividend, thereby reducing the cost of dividends to the Company from £207,766 to £143,549—a saving of £64,217 (1974—£63,026).

The Board considered that the time was appropriate to bring the issued share capital more into line with the Company's needs and accordingly resolutions were put to the shareholders to increase the authorised share capital of the Company from £1,500,000 to £3,000,000 by the creation of 7,500,000 ordinary shares of 20p each and empowering the Company to make a capitalisation issue of one fully paid ordinary share of 20p for every one ordinary share of 20p held by those persons who were registered as holders at the close of business on the 11th February 1976.

The said issue would not raise any dividends declared in respect of the year ended 31st August 1975, but to all other respects would rank pari passu with the existing ordinary shares in the capital of the Company.

TRADING ACTIVITIES: The effects of inflation have remained the prime cause for concern in the building industry, although the position was considered to have improved slightly in the year under review. The improvement was due to two underlying factors.

First, the introduction of fluctuation clauses into contracts extending to longer periods than twelve months had, to a great extent, reduced inflation risks involved in contracting by tender. Secondly, the 55 per week wage limit had made pricing a less hazardous operation and a more settled climate in which to price for future work was produced by the combination of these two factors.

The difficulties previously experienced with regard to a shortage of materials had largely disappeared and I am pleased to report that despite the effects of inflation, the Company had experienced another successful year with satisfactory results.

PRIVATE HOUSING: Although sales during the financial year as a whole were down, they have been better than anticipated, with the greatest demand being for the smaller house. Particular attention to this trend had been paid and new types of smaller, low cost houses, had been designed and built in supplement the normal range of private houses. Small parcels of land had been purchased during the year to keep our lead reserves intact.

DESIGN AND BUILD CONTRACTS: Several new contracts in this sector had been secured during the year under review and I am pleased to report that the Company had a successful year in this sphere of our activities.

CONTRACTS BY TENDER: Apart from small contracts of less than twelve months duration, the last of our "fixed price" contracts were nearing completion and current contracts which are subject to fluctuation clauses for wages and materials or on the Formula Price Index are all in a healthy state and several new contracts had been secured. The Company's work in hand was regarded as satisfactory.

FUTURE PROSPECTS: Indications were that the demand for private housing would improve during the current year and the Company had the necessary resources to take every advantage from the expected upturn in this field.

On the Contracts side the present workload would keep our Company busy and we were in an excellent position to take a fair share of new contracts, although reduction of local Government expenditure may result in greater competition.

The Property Company was undertaking further office and industrial developments and there were good prospects for increasing its rent roll.

With all these factors in mind and with the knowledge of results achieved so far this current year, I consider that the Company can look forward with reasonable confidence to another successful year in 1975/1976.

The meeting approved the accounts and the proposed final dividend and adopted the resolutions concerning the capitalisation issue.

Euromarkets

A Eurodollar note offering of Charbonnages de France has been scheduled with the lowest coupon rate in two years, leading some Eurobond specialists to conclude that yields are dropping too fast for the market's own good.

The French government-guaranteed Charbonnages offering is expected to bear 8.75 per cent over five years.

The \$30m (about £15m) issue is being managed by a relayed bank group comprising Banque de l'Union Européenne, Société Générale, Banque de Paris et des Pays-Bas, Banque de l'Indochine et des Suez, Kredietbank Luxembourg, Société Générale de Belgique, Société Générale de Suisse, and Deutsche Landesbank.

With nine syndicate managers, the relatively small issue of \$30m should be easy enough to place despite the rather unimpressive record of investment bankers were criticised.

Eurobond prices (yields and premiums)

Issue	Yield	Premium
Standard Oil 8 1/2	10.1	0.2
Standard Oil 9 1/2	10.1	0.2
Standard Oil 10 1/2	10.1	0.2
Standard Oil 11 1/2	10.1	0.2
Standard Oil 12 1/2	10.1	0.2
Standard Oil 13 1/2	10.1	0.2
Standard Oil 14 1/2	10.1	0.2
Standard Oil 15 1/2	10.1	0.2
Standard Oil 16 1/2	10.1	0.2
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Standard Oil 18 1/2	10.1	0.2
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Standard Oil 99 1/2	10.1	0.2
Standard Oil 100 1/2	10.1	0.2

Progress of Brazil crop is the key to what will happen in cocoa

Commodities

That the price of cocoa in the last few months depends very largely on what happens to the Bahia tempura crop in Brazil is made clear in the latest cocoa market report from Gull & Duffin, the London merchants.

They say that if the Bahia crop continues in progress well, some producers might feel the need to press ahead with sales over the course of the next two or three months and prices may be expected to rise.

According to these sources, a Eurobond issue of \$250m in 1976 is being prepared by an international consortium, the leadership of which appears to be hotly contested.

Credit Lyonnais, of France, and Morgan Guaranty Trust were mentioned as major candidates which could play parts in the management of the dollar Eurobond—AP-Dow Jones.

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Optimism about tin outlook

With the Panama price of tin firmly over the \$31,000 mark, optimistic noises about the market situation are coming from Malaysia as the International Tin Council goes into formal session today.

Deputy Minister of Primary Industries Paul Leong has said in Kuala Lumpur that the market outlook appears to be bright. He said the market had been stimulated by the emergence of United States buying interest in Straits tin and strong Japanese and European demand.

A cut during recent months in the exports from China had also helped.

He added that the tin price could have been higher but not the US General Services Administration sold 734 tons of tin in the market during the first half of February. However, he thought that demand recovery this year should be strong enough for the better stock manager to be able to dispose of the sizable stockpile in such a way that a healthy tin situation could be restored.

This week's Tin Council meeting will be reviewing floor and ceiling prices and export control measures. There was some feeling in the London market that higher prices might be approved and

the quantity of confectionery entering distribution in the four

week periods ended November 1 and 29 was the equivalent of 10.3 and 8.4 ounces per head per week respectively, compared with 11.1 and 9.8 ounces per week in 1974.

Average per capita consumption over the first 48 weeks of the year was 17.7 ounces per head, compared with 18.5 ounces in 1974. Total manufacturers' dispatches of chocolate and sugar confectionery over the same period were 633,710 tonnes, in comparison with 733,910 tonnes in 1974. Also over the first 48 weeks of the year, the rate of chocolate to sugar confectionery was 53:47 in 1975, compared with 53:45 in 1974.

Another formal which opens today, the Cali, the second city in the country, is of delegates from 20 countries for the Group of Latin American Countries which, translated into Spanish, translates into GEPLAC.

Between them, the control between 60 and 70 per cent

Capitalization and week's change

§ Forward bargains are permitted on two previous days.

(Current market price multiplied by the number of shares in issue for the stock quoted)

[illegible]

